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2020 ANNUAL REPORT

Notice of 2021 Annual Meeting
of Stockholders and Proxy Statement

2021 Annual Meeting of Stockholders

Notice of Annual Meeting and Proxy Statement

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Notice of 2021 Annual Meeting of Stockholders



TO BE HELD

Thursday, May 13, 2021
at 8:00 a.m. Pacific Time,
with log in beginning at
7:45 a.m. Pacific Time



VIRTUAL MEETING

The Annual Meeting of Stockholders,
and any adjournments or postponements thereof,
will be a virtual meeting conducted via live
webcast. You may log onto:
www.virtualshareholdermeeting.com/JNPR2021
and enter your 16-digit control number.



ATTENDANCE

You will be able to attend the
Annual Meeting of Stockholders online,
submit your questions online, and vote your shares
electronically during the meeting.

ITEMS OF BUSINESS

Proposal

- 1 To elect ten directors to hold office until the next annual meeting of stockholders and until their respective successors have been elected and qualified;
- 2 To ratify the appointment of Ernst & Young LLP, as Juniper Networks, Inc.'s independent registered public accounting firm for the fiscal year ending December 31, 2021;
- 3 To hold a non-binding advisory vote on executive compensation; and
- 4 To consider such other business as may properly come before the annual meeting.

RECORD DATE

You are entitled to notice of, and to vote at, the Annual Meeting of Stockholders only if you were a Juniper Networks stockholder as of the close of business on March 19, 2021. The Notice of Internet Availability of Proxy Materials will be mailed, and the attached proxy statement is being made available, to our stockholders beginning on or about March 31, 2021.



PROXY MATERIAL AVAILABILITY

We are furnishing our proxy materials electronically. Most of our shareholders will receive a Notice of Internet Availability of Proxy Materials instead of a paper copy of our proxy materials. The Notice of Internet Availability of Proxy Materials contains instructions on how to access this Proxy Statement (including the proxy card) and our 2020 Annual Report on Form 10-K over the internet, how to request a paper or email copy of these materials, and how to vote by mail or via the internet.

By Order of the Board of Directors,

Brian Michael Martin

Senior Vice President,
General Counsel and Secretary

March 31, 2021



WHETHER OR NOT YOU PLAN TO ATTEND THE VIRTUAL MEETING, PLEASE VOTE AS SOON AS POSSIBLE

You may revoke your proxy at any time prior to the Annual Meeting of Stockholders. Whether or not you plan to attend the Annual Meeting of Stockholders, we encourage you to read this Proxy Statement and vote your shares as soon as possible to ensure that your shares are represented.

If you are a beneficial stockholder, your broker will NOT be able to vote your shares other than in connection with the ratification of the selection of our independent auditor unless you have given your broker specific instructions to do so.

You may vote via the Internet, by telephone, or, if you have received a printed version of these proxy materials, by mail. For specific instructions on how to vote your shares, refer to the section entitled "General Information" of this proxy statement, the instructions in the Proxy Statement Summary, the proxy card or the Notice of Internet Availability.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 13, 2021

The proxy statement, form of proxy and our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 are available without charge at www.proxyvote.com. Information contained on the website is not incorporated by reference into this Proxy Statement or any other report we file with the Securities and Exchange Commission.

Proxy Statement Summary

This summary highlights selected information about the items to be voted on at the annual meeting and information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider in deciding how to vote, and you should read the entire proxy statement carefully before voting. The information contained on juniper.net or any other website referred to herein is provided for reference only and is not incorporated by reference into this proxy statement.

Information about our 2021 Annual Meeting of Stockholders

- Date and time:** Thursday, May 13, 2021 at 8:00 a.m. Pacific Time
- Time:** 8:00 a.m. Pacific Time — Online check-in will be available beginning at 7:45 a.m. Pacific Time. Please allow ample time for the online check-in procedures.
- Admission:** Virtual meeting is being held via the internet through a virtual web conference at: www.virtualshareholdermeeting.com/JNPR2021. To participate in the annual meeting, you will need the 16-digit control number included on your Notice of Internet Availability of the Proxy Materials, on your proxy card or on any additional voting instructions that accompanied your proxy materials.
- Voting:** Stockholders as of the record date, March 19, 2021, are entitled to vote. Your broker will not be able to vote your shares with respect to any of the matters presented at the meeting, other than the ratification of the selection of our independent auditor, unless you give your broker specific voting instructions.

**Even if you plan on attending our virtual meeting on May 13, 2021,
please vote as soon as possible before the meeting by:**



INTERNET

Go to www.proxyvote.com

Use the internet to transmit your voting instructions up until 11:59 p.m. Eastern Time on May 12, 2021. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.



PHONE

1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time on May 12, 2021. Have your proxy card in hand when you call and then follow the instructions.



MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to:

Vote Processing
c/o Broadridge
51 Mercedes Way
Edgewood, NY 11717

During the virtual meeting, you will be able to vote electronically and submit questions at www.virtualshareholdermeeting.com/JNPR2021.

For additional information about the virtual meeting, please refer to the Frequently Asked Questions in Annex A.

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Meeting Agenda and Voting Recommendations

		More Information	Board Recommendation	Reasons for Recommendation
Proposal 1	To elect ten directors to hold office until the next annual meeting of stockholders and until their respective successors have been elected and qualified.	Page 20	✓ FOR each nominee	The Board of Directors ("Board") and its Nominating and Corporate Governance Committee believe the Board nominees possess the skills, experience and diversity to effectively monitor performance, provide oversight and advise management on our long-term strategy.
Proposal 2	To ratify the appointment of Ernst & Young LLP as Juniper Networks, Inc.'s independent registered public accounting firm for the fiscal year ending December 31, 2021.	Page 26	✓ FOR	Based on the Audit Committee's assessment of Ernst & Young LLP's qualifications and performance, the Board believes that retention of Ernst & Young LLP for the fiscal year ending December 31, 2021 is in our stockholder's best interests.
Proposal 3	To hold a non-binding advisory vote regarding executive compensation.	Page 30	✓ FOR	Our executive compensation programs demonstrate the evolution of our pay for performance philosophy and reflect the input of stockholders from our outreach efforts.

We will also consider any other matters that may properly be brought before the 2021 annual meeting of stockholders (and any postponements or adjournments thereof).

Corporate Governance Highlights

Juniper Networks, Inc., a Delaware corporation ("Juniper Networks," "Juniper", the "Company," "we" or "our") is committed to having sound corporate governance principles that we believe serve the best interest of all our stockholders. Some highlights of our corporate governance practices are listed below. In addition, we regularly evaluate our practices against prevailing best practices and emerging and evolving topics identified through stockholder outreach, current literature and corporate governance organizations.

Annual election of all directors	✓	Commitment to Board refreshment (including the appointment of three new directors in 2019)	✓
Majority voting and director resignation policy for directors in uncontested elections	✓	Annual Board, committee and director evaluations	✓
Proxy access right for stockholders	✓	Regular focus on management and director succession planning	✓
9 out of 10 director nominees are independent	✓	Regular executive sessions of independent directors	✓
Separate chair, lead independent director and CEO	✓	Risk oversight by full Board and committees	✓
Chair is an independent director	✓	Stockholder outreach/engagement program	✓
Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are 100% independent	✓	Robust stock ownership requirements for directors and named executive officers	✓
44% of our current independent directors are ethnically diverse or women	✓	Prohibition against director, officer and employee hedging and pledging of Juniper Networks stock and "claw-back" policy	✓
Each director attended at least 75% of Board and committee meetings	✓	Our Compensation Committee uses an independent compensation consultant	✓
No "over-boarding"	✓	Corporate social responsibility program	✓
2 of the 3 members of our Audit Committee are "audit committee financial experts" under SEC rules	✓	Annual publication of a corporate diversity update and annual pay equity review process/analyses	✓
Board and committee oversight of cybersecurity	✓	No multi-class or non-voting stock	✓

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Director Nominees

Our business is managed under the direction of our Board of Directors, which is currently composed of ten members. Juniper's stockholders elect the company's Board members annually, and all of our current directors were elected at the 2020 Annual Meeting by our stockholders to serve for a term expiring at the 2021 Annual Meeting. The following sets forth the name, age, tenure and committee assignments for each of our directors as of the date this proxy statement was filed with the U.S. Securities and Exchange Commission (the "SEC").



GARY DAICHENDT
Age: 69 | Director Since 2014
Compensation Committee
Committee Chair



ANNE DELSANTO
Age: 57 | Director Since 2019
Nominating and Corporate
Governance Committee



KEVIN DENUCCIO
Age: 61 | Director Since 2014
Compensation Committee



JAMES DOLCE
Age: 58 | Director Since 2015
Compensation Committee



CHRISTINE GORJANC
Age: 64 | Director Since 2019
Audit Committee



JANET HAUGEN
Age: 61 | Director Since 2019
Audit Committee
Committee Chair



SCOTT KRIENS
CHAIRMAN
Age: 63 | Director Since 1996
Committees: None



RAHUL MERCHANT
Age: 64 | Director Since 2015
Audit Committee



RAMI RAHIM, CEO
Age: 50 | Director Since 2014
Committees: None



WILLIAM STENSRUD
Age: 70 | Director Since 1996
Nominating and Corporate
Governance Committee
Committee Chair



Active Stockholder Engagement

Despite the ongoing COVID-19 pandemic, in 2020 we proactively sought meetings with stockholders, which resulted in Juniper Networks meeting virtually with stockholders who in the aggregate hold approximately 26% of our shares outstanding. For more information on our stockholder engagement efforts, please see the “Stockholder Engagement” section of this proxy statement.

Executive Compensation Highlights

Our executive compensation program is designed to hold our executives accountable for results over the long term and reward them for consistent strong performance. Our Compensation Committee strives to design a fair and balanced approach to our executive compensation programs by providing for short and long-term focused programs that emphasize a pay-for-performance philosophy.

Demonstrating our continued commitment to align compensation to overall corporate performance, in 2020, 89% of our Chief Executive Officer’s target direct compensation was “variable” compensation in the form of an annual cash bonus incentive and equity awards. Further, our Chief Executive Officer’s target direct compensation compared to his realizable pay outcome demonstrates the strong “pay-for-performance” philosophy instituted by our Compensation Committee.

As a result of the Compensation Committee’s evaluation of the results of the “Say-on-Pay” advisory vote at our 2020 annual meeting of stockholders, the feedback received from our stockholder engagement, the advice from the Committee’s independent compensation consultant and its ongoing review of our compensation program philosophy and design, the Compensation Committee did not make any significant changes to the design of our executive compensation and equity programs in 2020. Based on feedback from stockholders in 2020, the Compensation Committee continued to grant performance share awards based upon longer-term relative total shareholder return. We encourage you to also review the full “*Executive Compensation*” section of this proxy statement, including the “*Compensation Discussion and Analysis*,” for additional details.

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Corporate Governance Principles and Board Matters

Corporate Governance Guidelines

Juniper Networks is committed to having sound corporate governance practices and has adopted formal Corporate Governance Standards to enhance our effectiveness. Having such principles is essential to running our business efficiently and maintaining our integrity in the marketplace. A copy of our Corporate Governance Standards is available on our website at <http://investor.juniper.net/investor-relations/corporate-governance/default.aspx>.

Code of Business Conduct and Ethics

We have also adopted a code of business conduct and ethics applicable to all Juniper Networks employees, officers and directors in compliance with the rules of the Securities and Exchange Commission ("SEC") and the listing standards of the New York Stock Exchange ("NYSE"), known as our Worldwide Code of Business Conduct. This Worldwide Code of Business Conduct is publicly available on our website at <http://investor.juniper.net/investor-relations/corporate-governance/default.aspx>.

You may also obtain free copies of the Corporate Governance Standards and the Worldwide Code of Business Conduct by contacting the Investor Relations Department at our corporate offices by calling 1-408-745-2000 or by sending an e-mail message to investor-relations@juniper.net. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to, or waiver from, a provision of our code of ethics by posting such information on our website, at the address and location specified above.

Board Independence

Our Board is independent:

- **9 of 10** director nominees are independent
- We have both an independent Chair of the Board and a Lead Independent Director
- Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are **100%** independent

The NYSE's listing standards and our Corporate Governance Standards provide that a majority of our Board of Directors (the "Board") must be "independent." Under the NYSE's listing standards, no director will be considered independent unless our Board affirmatively determines that such director has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). Our Board reviews the independence of its members annually. Our Board has determined that, except for Rami Rahim who is an employee of the Company, (i) none of the current directors have a material relationship with Juniper Networks, and (ii) that each of our current director nominees whose names are set forth below in Proposal No. 1 Election of Directors are independent within the meaning of the NYSE director independence standards.

The Board has determined that each of the members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee of the Board has no material relationship with Juniper Networks and is "independent" within the meaning of the NYSE director independence standards, including in the case of the members of the Audit Committee and the Compensation Committee, which are subject to the heightened "independence" standard required for such committee members set forth in the applicable SEC and NYSE rules. The members of the Compensation Committee are also non-employee directors as defined in Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

In making the determination of the independence of our directors, the Board considered whether there were any transactions between Juniper Networks and entities associated with our directors or members of their immediate families, including transactions involving Juniper Networks, investments in companies in which our directors or their affiliated entities are stockholders and payments made to or from companies and entities in the ordinary course of business where our directors or members of their immediate families serve as partners, directors or as a member of the executive management of the other party to the transaction, and did not identify any such transactions.

Board Structure and Committee Composition

Annual Election and Majority Voting Standard

Each director serves for a term expiring at the next annual meeting of stockholders and until his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal.

Our bylaws provide that each director nominee must receive the majority of the votes cast with respect to his or her election (i.e., the number of shares voted “FOR” a director nominee must exceed the number of votes cast “AGAINST” that director nominee). However, in the event that a stockholder has properly nominated a person or persons for election to the board and such nomination is not timely withdrawn prior to the first mailing of our notice of a meeting where directors are to be elected, then each director nominee shall be elected by a plurality of the votes cast.

If a director nominee who is currently serving as a director is not re-elected at the annual meeting, under Delaware law, the director will continue to serve on the Board as a “holdover director.” However, pursuant to our Corporate Governance Standards, as a condition to re-nomination, each incumbent director is required to submit a conditional resignation from the Board in writing to the Chair of the Nominating and Corporate Governance Committee of the Board. If the director nominee fails to receive the requisite vote contemplated by our bylaws, the Nominating and Corporate Governance Committee will make a recommendation to the Board as to whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Nominating and Corporate Governance Committee’s recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. Thus, the resignation will become effective only if the director nominee fails to receive a majority of votes cast for re-election, and the Board accepts the resignation.

Proxy Access

The Company’s bylaws provide that under certain circumstances, a stockholder, or group of up to 20 stockholders, who have maintained continuous ownership of at least three percent (3%) of our common stock for at least three years prior to such nomination may nominate and include a specified number of director nominees in our annual meeting proxy statement. The number of stockholder nominated candidates appearing in our proxy statement cannot exceed the greater of two or twenty percent (20%) of the aggregate number of directors then serving on the Board (rounding down). For a description of the process for nominating directors, see the information under the “*General Information — Stockholder Proposals and Nominations*” section of this proxy statement.

Board Committees

The Board has a standing Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. The membership and principal function of each of these committees are described below. Each of these committees operates under a written charter adopted by the Board. The charters of these committees are available on Juniper Networks’ website at <http://investor.juniper.net/investor-relations/corporate-governance/default.aspx>. The Board may add new committees as it deems advisable for purposes of fulfilling its primary responsibilities.

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The following table shows all persons who served on the Board and the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, and the number of meetings for the Board and such committees during 2020:

Name of Director	Board	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
<u>Non-Employee Directors:</u>				
Gary Daichendt	X		CHAIR	
Anne DeSanto	X			X
Kevin DeNuccio	X		X	
James Dolce	X		X	
Christine Gorjanc ⁽¹⁾	X	X		
Janet Haugen ⁽¹⁾⁽²⁾	X	CHAIR		
Scott Kriens	CHAIR			
Rahul Merchant ⁽²⁾	X	X		
William Stensrud	X			CHAIR
<u>Employee Director:</u>				
Rami Rahim	X			
Number of Meetings in Fiscal 2020	8	8	6	4

⁽¹⁾ The Board has determined that Ms. Gorjanc and Ms. Haugen is each an “audit committee financial expert” within the meaning of the rules promulgated by the SEC.

⁽²⁾ Mr. Merchant served as the chair of the Audit Committee until Ms. Haugen assumed the role as the chair of the Audit Committee on February 20, 2020.

Audit Committee

The Audit Committee, among other duties, assists the Board in fulfilling its responsibilities for general oversight of the:

- integrity of the Company’s financial statements;
- compliance with the Company’s legal and regulatory requirements;
- management of the Company’s information security risk program;
- qualifications, independence and performance of the Company’s independent registered public accounting firm;
- performance of the Company’s internal audit function; and
- Company’s internal accounting and financial controls, as well as risk management policies.

The Audit Committee works closely with management as well as our independent registered public accounting firm to fulfill its obligations. In addition, to further strengthen the Audit Committee’s oversight responsibilities, each of the Vice President of Internal Audit and the Vice President and Chief Compliance Officer report directly to the Audit Committee, and the Company’s Chief Accounting Officer meets in executive sessions with the Audit Committee. The Audit Committee has the authority to receive appropriate funding from the Company for obtaining advice and assistance from outside legal, accounting or other advisors as the Audit Committee deems necessary to carry out its duties.

No member of the Audit Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee, and discloses such determination in accordance with NYSE requirements.

Compensation Committee

The Compensation Committee discharges the Board’s responsibilities relating to the compensation of our executive officers and Board members as well as our human capital management function, including:

- conducting an evaluation of the Chief Executive Officer with the entire Board;
- reviewing the Compensation Discussion and Analysis and preparing an annual report on executive compensation for inclusion in our proxy statement;
- approving and evaluating executive officer compensation philosophy and related plans, policies and programs;
- evaluating and making recommendations regarding Board compensation on an annual basis;

- periodically reviewing the Company's programs and practices related to workforce diversity and inclusion; and
- conducting an annual compensation risk assessment to consider whether the Company's incentive compensation policies and programs contain incentives for executive officers to take risks in performing their duties that are reasonably likely to have a material adverse effect on the Company.

The Compensation Committee also has responsibility for reviewing the overall equity award practices of the Company, including review and approval of the Company's annual equity budget. The Compensation Committee has the authority to receive appropriate funding from the Company for obtaining advice and assistance from outside legal, compensation consultants or other advisors as the Compensation Committee deems necessary to carry out its duties.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee:

- engages in Board succession planning to anticipate the future needs of the Board and its standing Committees;
- seeks and recommends the nomination of individuals qualified to become Board members, consistent with criteria approved by the Board;
- reviews and makes recommendations regarding the composition of the Board;
- oversees the governance of the Board, including establishing and overseeing compliance with our Corporate Governance Standards;
- oversees the Company's programs, policies and practices relating to social and environmental issues and impact to support the sustainable growth of the Company's business;
- identifies best practices and recommends corporate governance principles to the Board; and
- strives to give proper attention to and effectively respond to stockholder concerns regarding corporate governance.

Board Leadership Structure and Role of the Lead Independent Director

The Board's leadership structure is comprised of an independent Chair of the Board and a Lead Independent Director who is appointed, and at least annually reaffirmed, by at least a majority of Juniper Networks' independent directors. Mr. Kriens has served as Chair of the Board since 1996 and served as Chief Executive Officer of the Company from 1996 to 2008. Since March 2015, Mr. Daichendt has served as the Lead Independent Director.

The duties of the Chair of the Board, Lead Independent Director and Chief Executive Officer are set forth in the table below:

	Chair of the Board	Lead Independent Director	CEO
Duties	<ul style="list-style-type: none"> • Sets the agenda of Board meetings • Presides over meetings of the full Board • Contributes to Board governance and Board processes • Communicates with all directors on key issues and concerns outside of Board meetings • Presides over meetings of stockholders 	<ul style="list-style-type: none"> • Provides input regarding Board meetings scheduling and agendas • Makes recommendations to the Chair regarding the retention of Board consultants • Presides over executive sessions of the Board if and when the Chair is not independent under applicable standards • Acts as a liaison between the independent directors and the Chair and CEO on sensitive issues 	<ul style="list-style-type: none"> • Sets strategic direction for the Company • Creates and implements the Company's vision and mission • Leads the affairs of the Company, subject to the overall direction and supervision of the Board and its committees and subject to such powers as reserved by the Board and its committees

The Board believes that this overall structure of a separate Chair of the Board and Chief Executive Officer, combined with a Lead Independent Director, results in an effective balancing of responsibilities, experience and independent perspectives that meets the current corporate governance needs and oversight responsibilities of the Board. The Board

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also believes that this structure benefits the Company by enabling the Chief Executive Officer to focus on strategic matters while the Chair of the Board focuses on Board process and governance matters. The structure also allows the Company to benefit from Mr. Kriens' experience as a former Chief Executive Officer of the Company.

The independent directors of the Company meet at least quarterly in executive sessions. Executive sessions of the independent directors are chaired by the Lead Independent Director if and when the Chair is not "independent" under applicable standards. The executive sessions include discussions and recommendations regarding guidance to be provided to the Chief Executive Officer and such other topics as the independent directors may determine.

Identification and Evaluation of Nominees for Director

The Nominating and Corporate Governance Committee's criteria and process for evaluating and identifying the candidates that it recommends to the full Board for selection as director nominees are as follows:

- The committee regularly, and at least annually, reviews the composition and size of the Board, and whether any vacancies on the Board are expected due to retirement or otherwise.
- The committee reviews the qualifications of any candidates who have been properly recommended or nominated by a stockholder other than through our proxy access bylaw, as well as those candidates who have been identified by management, individual members of the Board or, if the committee determines, a search firm. Such review may, in the committee's discretion, include a review solely of information provided to the committee or may also include discussions with persons familiar with the candidate, an interview with the candidate or other actions that the committee deems proper. Please see the information under the *"General Meeting — Stockholder Proposals and Nominations"* section of this proxy statement for more information on stockholder recommendations and nominations of director candidates.
- The committee conducts an annual evaluation of the performance of individual directors, the Board as a whole, and each of the Board's standing committees, including an evaluation of the qualifications of individual members of the Board and its committees. The evaluation is conducted via oral interviews by a third-party legal advisor selected by the committee, which uses as a basis for discussion, a list of questions that are provided to each director in advance. The results of the evaluation and any recommendations for improvement are provided orally to the committee by the third-party legal advisor, and to the Board and the other standing committees of the Board either by the chair of the committee or the third-party legal advisor.
- The committee considers the suitability of each director candidate, including the current members of the Board, in light of the current size and composition of the Board. Although the committee does not have a specific policy on diversity, in evaluating the qualifications of the candidates, the committee considers many factors, including issues of character, judgment, independence, age, education, expertise, diversity of experience, length of service, other commitments and ability to serve on committees of the Board, as well as other individual qualities and attributes that contribute to board heterogeneity, including characteristics such as race, gender, cultural background and national origin. The committee believes that diversity is important as a variety of points of view can help contribute to a more effective decision-making process. When recommending candidates, the committee strives to select candidates that have diverse perspectives, experiences and expertise such that the skill set of each candidate complements those of other directors and nominees to create a balanced Board with diverse viewpoints and expertise, which together will contribute to the Board's effectiveness as a whole. The committee evaluates the factors discussed above, among others, and does not assign any particular weighting or priority to any of these factors. The committee considers each individual candidate in the context of the current perceived needs of the Board as a whole. While the committee has not established specific minimum qualifications for director candidates, the committee believes that candidates and director nominees must reflect a Board that is comprised of directors who (i) are predominantly independent, (ii) possess high personal and professional ethics and integrity, (iii) have qualifications that will increase overall Board effectiveness, (iv) meet requirements of applicable rules and regulations, such as financial literacy or financial expertise with respect to Audit Committee members, and (v) have a willingness to represent the best interests of all stockholders of the Company.
- The committee also considers the interests and plans of individual directors and their interest in continuing as members of the Board.
- In evaluating and identifying candidates, the committee has the authority to retain and terminate any third-party search firm that is used to identify director candidates. It also has the authority to approve the fees and retention terms of any search firm.

- After such review and consideration, the committee recommends to the Board director candidates to be nominated by the Board for election to the Board. The Board reviews the committee's recommendations and approves final nominations.

In addition to the foregoing process, the committee and the Board also takes into consideration the perspectives of stockholders regarding Board composition and corporate governance matters and incorporates those perspectives into its overall identification and selection process.

Management Succession Planning

Our Board believes that the directors and the Chief Executive Officer should collaborate on management succession planning and that the entire Board should be involved in the critical aspects of the succession planning process for our Chief Executive Officer, including establishing selection criteria that reflect our business strategies, identifying and evaluating potential internal candidates, and making key management succession decisions. Management succession is regularly discussed by the directors in Board meetings and in executive sessions of the Board.

In addition, our Board annually conducts a detailed review of the Company's leadership pipeline, talent strategies and succession plans for key executive positions. Directors become familiar with potential successors for key management positions through various means, including the comprehensive annual talent review, Board dinners and presentations, and informal meetings.

Board's Role in Risk Oversight

The Board recognizes that risk is inherent in the Company's pursuit and achievement of our strategic and operating objectives. The Board has oversight responsibility for the Company's risk management framework, which is designed to: (i) identify, assess, prioritize, manage and communicate risks to which the Company is exposed in our business, and (ii) foster a corporate culture of integrity. Consistent with this approach, the Board regularly reviews, consults and discusses with management on strategic direction, challenges and risks faced by the Company, and annual and quarterly financial results and forecasts to fulfill its oversight responsibility.

In addition, the Board has tasked designated committees of the Board with oversight of certain categories of risk management:

- The Audit Committee oversees management of financial risks, and reviews and provides oversight of the Company's risk management program and compliance and financial risks. In addition, while the Board oversees the Company's cyber risk management program, the Board has designated the Audit Committee with the responsibility to regularly review the Company's processes and procedures around managing cybersecurity risks and incidents.
- The Compensation Committee is responsible for overseeing the management of risks relating to and arising from the Company's executive and employee compensation plans and arrangements.
- The Nominating and Corporate Governance Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with Board organization, membership and structure, succession planning for our directors and executive officers, and corporate governance. These committees provide regular reports on the Company's risk management efforts to the full Board.

Management is responsible for the direct management and oversight of strategic, operational, legal/compliance, cybersecurity and financial risks, and the Company's formal program to continually and proactively identify, assess, prioritize and mitigate enterprise risk. Critical risks are managed through cross-functional participation in senior level corporate compliance and risk management committees. The corporate compliance committee focuses on legal and regulatory compliance risks, and the risk management committee focuses on operational and strategic risks.

Annually, management reviews with the Board a comprehensive assessment of risks for the Company based upon the COSO Integrated Risk Management Framework methodology. In addition, throughout the year, the Chief Executive Officer and other members of senior management review with the Board key strategic and operational issues, opportunities, and risks. Further, both the Board and the Audit Committee receive reports and presentations from management on the Company's risk mitigation programs and efforts, cybersecurity programs, compliance programs and efforts, investment policy and practices and the results of various internal audit projects.

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Cybersecurity Risk Oversight

In addition, the Board oversees the Company's cyber risk management program. In order to respond to the threat of security breaches and cyberattacks, we have developed a program, overseen by the Company's Chief Information Officer in coordination with the Company's Chief Information Security Officer, that is designed to protect and preserve the confidentiality, integrity and continued availability of information owned by, or in the care of, the Company. This program includes a cyber incident response plan that provides controls and procedures for timely and accurate reporting of any material cybersecurity incident and the maintenance by the Company of insurance coverage to defray the cost in the event of an information security breach. In support of the Board's oversight of the Company's cyber risk management program, the Audit Committee receives regular reports from the Chief Information Officer, the Chief Information Security Officer, and other senior executives at the Company. In addition, the Board, periodically, and the Audit Committee, regularly, receive updates throughout the year from management about the results of exercises and response readiness assessments led by outside advisors who provide a third-party independent assessment of our Company-wide information security strategy and our internal response preparedness.

We have also implemented a robust information security training program including, among other things, mandatory quarterly training for all of our employees, surprise semi-annual testing of our employees to confirm employees are implementing best practices learned during the trainings, and specialized trainings developed specifically for employee populations working in areas such as our corporate network or development of our product.

COVID-19 Pandemic Risk Oversight

In response to the COVID-19 pandemic, the Juniper Crisis Management Team activated our Pandemic Preparedness Plan and has been following a risk-based and phased approach by aligning with local government guidelines for our operations. Throughout the COVID-19 pandemic, the Board has overseen our crisis management policies and responses to ensure that we identify and respond to emerging risks and provide meaningful updates to our stakeholders. In particular, through regular updates and communications with management, the Board has actively participated in overseeing the impact of the COVID-19 pandemic on our employees and business operations and our financial position and results of operations; understanding how management is assessing the impact, and considering the nature and adequacy of management's responses, including health safeguards, business continuity, internal communications, and infrastructure; and reviewing stakeholder communications plans with management, ensuring effective and transparent communications.

Corporate Citizenship and Sustainability

Our Corporate Citizenship and Sustainability ("CCS") objectives at a glance:

- Positively impact and contribute to our global community of customers, partners, and employees, as well as emerging markets and areas in need
- Foster a more inclusive and diverse community for Juniper employees
- Conduct business ethically, with integrity and good corporate governance
- Meet or exceed international standards for product design, production, and waste reduction

Juniper Networks believes in building more than a network. It is our mission to power connections and empower change. We are committed to being responsible corporate citizens and encouraging responsible practices in our operations and throughout our worldwide supply chain — ensuring that working conditions are safe, workers are treated with respect and dignity, and that processes and products are environmentally responsible. We believe in conducting business ethically, with integrity and good corporate governance, wherever we do business. We also strive to positively affect and contribute to the global community of customers, partners, employees, and emerging markets.

Governance of our Corporate Citizenship and Sustainability Program

We utilize a materiality and risk-based approach to help focus our resources and attention on those areas that we believe we can most meaningfully impact Juniper and have a meaningful impact beyond Juniper. Our CCS program is organized into three pillars — Corporate Governance and Culture, Environmental Sustainability, People and Communities — and is focused on issues that we believe are most material to our business and important to our stakeholders.

The Three Pillars of our Corporate Citizenship and Sustainability Program

Corporate Governance	Environmental Sustainability	People and Communities
<p>Business Ethics and Anti-Corruption Product Responsibility</p> <ul style="list-style-type: none"> • Customer Satisfaction • Data Privacy and Product Security • Product Safety and Compliance <p>Supply Chain Management</p> <ul style="list-style-type: none"> • Supply Chain Resilience • Supply Chain Security 	<p>Operational Footprint</p> <ul style="list-style-type: none"> • Energy Management • Greenhouse Gas Emissions • Water and Wastewater Management <p>Product Sustainability</p> <ul style="list-style-type: none"> • Sustainable Design • Lifecycle Management 	<p>Our Employees</p> <ul style="list-style-type: none"> • Inclusion and Diversity • Employee Engagement • Employee Wellness <p>Our Partners in the Value Chain</p> <ul style="list-style-type: none"> • Labor Practices and Human Rights • Responsible Materials Sourcing <p>Our Communities</p>

Oversight of our CCS program starts with our Board, which believes that corporate citizenship and sustainability remains an ongoing priority for the Company. In furtherance of the Board's oversight of our CCS program:

- Our Nominating & Corporate Governance Committee reviews the Company's CCS program and strategy and the progress made across the various pillars.
- Our Compensation Committee reviews the status of specific initiatives related to the People and Communities pillar of our CCS program, namely those related to employee inclusion and diversity.
- Our Audit Committee reviews the status of specific initiatives related to the Corporate Governance pillar of our CCS program, namely those related to business ethics and anti-corruption and product responsibility.

The Company's leadership team has ultimate responsibility for our CCS program. A Corporate Social Responsibility Executive Committee comprised of senior executives representing the various business functions across the Company has been established to ensure continued focus and alignment within the Company on these important initiatives. This leadership committee directs the overall vision, strategy and execution of our CCS program, and further ensures alignment with corporate priorities and objectives, as well as our values, which we refer to as The Juniper Way — Be Bold, Build Trust, and Deliver Excellence.

To achieve our values, we strive to exercise the highest standards of business conduct and ethics in all our dealings inside and outside our company. Our commitments to and expectations of our employees and business partners for adhering to high ethical standards and compliance with laws are articulated through our Worldwide Code of Business Conduct and Ethics, and our Business Partner Code of Conduct.

We maintain an ongoing and inclusive dialogue with our internal and external stakeholders in which we communicate our progress on important topics and collect valuable insights and feedback, which helps us assess both potential risks and opportunities and improve how we manage, refine and respond to material issues. As part of Juniper's stakeholder engagement model, Juniper is an active participant in a variety of government and industry organizations, such as the Responsible Business Alliance, Responsible Minerals Initiative, and Carbon Disclosure Project Supply Chain. Through our memberships, we promote the development and adoption of collaborative approaches in applying leading standards and practices in the Information Communication and Technology sector and throughout the supply chain, as well as to harmonize regulations.

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Our COVID-19 Response

Throughout the COVID-19 pandemic our priorities and actions have remained focused on protecting the health and safety of all those we serve — our employees, our customers, our suppliers, and our communities, including implementing early and continuous updates to our health and safety policies and processes.

The health and safety of our employees and their families is paramount to our success. Since March 2020, the majority of our global workforce has been working remotely. We are focused on providing our workforce with benefits and resources to help them stay safe and healthy so they can meet the needs of our customers and deliver new innovations to the markets we serve, despite challenges introduced by the COVID-19 pandemic.

More than ever, we are committed to connecting organizations that are delivering critical services to those most in need, including healthcare, government and finance, as well as connecting communities. We provide secure networking and wireless solutions to help ensure that every business, no matter the size, can deliver on their mission during this rapidly evolving time. We continue to support healthy customer demand for our products by working with our suppliers and distributors to address supply chain disruptions as well as travel restrictions that have impacted our operations and our employees have been available to support customers in delivering critical network services.

In 2020, we supported our communities by helping the medical professionals on the front-line fight against COVID-19 by donating secure wireless connectivity kits to healthcare organizations setting up COVID-19 testing facilities and pop-up field hospitals. Further, Juniper has donated medical and household essentials, and the Juniper Networks Foundation committed \$1 million in cash donations to local organizations in 2020 and matched employee contributions to help the most vulnerable in the communities where we work and live, specifically to address local needs arising from the COVID-19 pandemic.

2020 CCS Progress and Achievements

We are pleased to share the strides we have made in our CCS priorities in our Corporate Citizenship and Sustainability Report, which is available at <https://www.juniper.net/us/en/company/corporate-responsibility>. Our Corporate Citizenship and Sustainability Report has been prepared using guidance from the Global Reporting Initiative Sustainability Reporting Guidelines 'Core' option and the Sustainability Accounting Standards Board standards. We are proud that our progress has resulted in recognition as one of Forbes' 2020 and 2021 America's Most JUST Companies and to be awarded a position on the 2020 Carbon Disclosure Project Supplier Engagement Leaderboard and the Bloomberg Gender Equality Index. Below are a few CCS Program highlights in which we demonstrate our commitment to The Juniper Way and our leadership in corporate citizenship.

Inclusion and Diversity

At our core, we believe innovation and excellence depends on seeking out diverse ideas and fostering a culture where all employees are actively engaged.

Creating a highly diverse and inclusive workplace, where everyone is empowered to do their best work, starts with transparency and accountability. We are committed to improving inclusivity by being engaged and accountable at the highest level of leadership. Our commitment to this work starts with our Board and carries through to our Chief Executive Officer, our executive officers, and throughout our Company.

We track data regularly to hold ourselves accountable and to enable us to monitor our progress. We have implemented trainings, sponsorship and development programs, new employee benefits, inclusion activities, and a commitment to pay parity. One of the ways Juniper is working to improve our gender balance, specifically in positions of leadership, is through our Women's Sponsorship Program. The initiative is designed to enhance the development, visibility and growth opportunities for high potential women across Juniper's business organizations across our geographies. We are supporting partnerships with organizations that are dedicated to driving industry-wide pay parity, equal rights, and better access to career opportunities. In September 2020, Juniper sponsored BLACK BOYS, a documentary film that illuminates the full humanity of Black men and boys in America. We support initiatives like BLACK BOYS to catalyze meaningful conversations on racial injustices within our communities. We believe that honesty and communication are foundational to our success as a company, and to improve transparency in our inclusion and diversity efforts, we have shared our workforce data on our website at <https://www.juniper.net/us/en/company/inclusion-diversity/>.

Environmental Sustainability

As part of our corporate citizenship and sustainability strategy, our environmental policy outlines our commitment to conducting business in an environmentally responsible way.

We maintain a steady focus on reducing our energy consumption, carbon footprint, and resource use in our facilities and in our supply chain. In 2016, we established an absolute target to reduce our Scope 1 and Scope 2 (market-based) Green House Gas (GHG) emissions by 5% by the year 2020 (against our 2011 baseline of 92,864 metric tonnes of CO₂e). We were able to achieve this goal in 2019 ahead of our target date. To further our continued commitment to climate action, we established absolute Scope 1 and Scope 2 reduction targets using the Science Based Targets initiative (SBTi) methodology in 2020: (1) reduce absolute Scope 1 and Scope 2 emissions by 17.5% by 2025 from our 2018 baseline and (2) reduce absolute Scope 1 and Scope 2 emissions by 42.5% by 2035 from our 2018 baseline. We continue to focus on energy efficiency, process optimization measures, and clean energy procurement in order to reduce our carbon footprint from our direct operations.

The most significant impact to our overall carbon footprint comes from our Scope 3 emissions — activities outside of our direct operations such as business travel, employee commuting, our product distribution, and emissions resulting from our suppliers' operations. We believe that strong partnership and communication throughout our supply chain provides us with the greatest opportunity to make an impact with respect to our Scope 3 emissions. As part of our Scope 3 emissions management approach, we actively engage with our suppliers and communicate our expectation that they measure, disclose and reduce their GHG emissions. As a result, the Carbon Disclosure Project awarded Juniper a position on the Supplier Engagement Leaderboard four years in a row.

We also recognize that our greatest opportunity for positive environmental impact comes through our products. We believe our products meet some of the strictest environmental standards in the industry. Juniper has an environmental program, based on our new product introduction process that supports a circular economy model for environmental sustainability and focuses on energy efficiency, materials innovation, and recyclability. We continue to innovate and look at new technology and processes that can minimize resource impacts and improve efficiencies over a product's life cycle, from the materials we use and a product's energy footprint, to packaging and end-of-life.

Our Communities

As a global company whose operations extend into both developed and developing economies throughout the world, Juniper recognizes its responsibility and its immense opportunity to support the regions and communities in which we operate. In recognition of this, we founded the Juniper Networks Foundation over 19 years ago. Since its founding, the Juniper Networks Foundation has granted over \$18 million to nonprofit organizations around the world, including over \$5.7 million of employee matching funds. In particular, the Juniper Networks Foundation supports disaster relief, as well as nonprofit organizations that focus on K-12 science, technology, engineering, and mathematics (STEM) education, targeted especially at girls as well as underprivileged and underrepresented minority students.

In addition, Juniper has a longstanding relationship with Orohalli, a cluster of villages 30 kilometers away from our Bangalore, India campus. Since 2015, together with local non-governmental organizations, Juniper is addressing inequality in our local communities by focusing on four developmental priorities in Orohalli: (1) education, (2) healthcare, (3) creating occupational opportunities, and (4) ultimately using network connectivity to tie these things together.

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Stockholder Engagement

The perspectives, insights and feedback of our stockholders are important to our Board and management, which is why we proactively engage on a regular basis with a significant portion of our stockholders that include our top institutional investors throughout the year. The goal of our stockholder engagement program is to foster strong stockholder relationships leading to mutual understanding of issues and approaches, ultimately giving Juniper insight into stockholder support as it designs and implements strategies for long-term growth. We recognize that stockholders are the owners of the Company and we remain committed to a stockholder engagement program that is truly a dialogue.



Throughout 2020, senior members of our management team met with a significant number of our stockholders to discuss matters that are top of mind for our stockholders, such as our strategic direction, financial and operating performance, capital allocation, executive compensation, corporate social responsibility programs, human capital management, and corporate governance practices, including director refreshment and risk oversight. Despite the ongoing COVID-19 pandemic, in 2020 we continued to proactively seek meetings with our stockholders, which resulted in Juniper meeting with stockholders who in the aggregate hold approximately 26% of our shares outstanding.

Our engagement efforts have provided valuable feedback that help to inform our decisions and our corporate practices and the Board considers feedback from these conversations during its deliberations. For example, as a result of our collaboration, in 2020:

- We published our Corporate Citizenship and Sustainability Report in alignment with the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) standards. Through our annual climate change and water reporting with Carbon Disclosure Project, our environmental disclosures are aligned with the Task force for Climate-related Financial Disclosure (TCFD).
- We published our third annual diversity update. At Juniper Networks, we are committed to innovation and representing diversity in a myriad of ways — including race, ethnicity, gender, age, background, perspectives, tenure, work style, and sexual orientation. We fundamentally believe that diversity is a competitive asset that we want to amplify because we believe our differences will drive our success.
- We have continued to focus on our equity grant practices to balance the impact on stockholder dilution while still being able to grant equity awards to our employees at levels within competitive market ranges and reasonably necessary to attract, retain and motivate talent.

We view our stockholder outreach program as an important aspect of maintaining an open, candid and continuous dialogue with our stockholders on relevant issues, including our business and long-term strategy, corporate governance and risk management practices, board refreshment, corporate social responsibility initiatives (including environmental,

social and governance matters), our executive compensation program and other matters of stockholder interest. We anticipate continuing our stockholder engagement efforts to help further our understanding of their perspectives and to incorporate their feedback, as appropriate. While we benefit from an ongoing dialogue with many of our stockholders, we recognize that we have not communicated directly with all of our stockholders. If you would like to engage with us, please send correspondence to Juniper Networks, Inc., Attn: Investor Relations, 1133 Innovation Way, Sunnyvale, California 94089 or email Investor-Relations@juniper.net.

Communications with the Board

The Nominating and Corporate Governance Committee of the Board has approved a process by which stockholders or other interested parties may communicate with the Board or individual members of the Board. Stockholders of Juniper Networks and other parties interested in communicating with the Board or any member of our Board may write to them c/o Juniper Networks, Inc., 1133 Innovation Way, Sunnyvale, California 94089. Under the process approved by the Nominating and Corporate Governance Committee, the General Counsel receives and logs communications directed to the Board or any member of the Board, and, unless marked “confidential,” reviews all such correspondence and regularly (not less than quarterly) delivers to the Board, the Lead Independent Director, Chair of the Board or the independent directors of the Board, as applicable, copies of such correspondence. Communications marked “confidential” will be logged as received by the General Counsel and then will be delivered unopened to the addressee(s).

Compliance Reporting

Juniper Networks has adopted procedures for raising concerns related to accounting and auditing matters in compliance with the listing standards of the NYSE. The Company has established a Corporate Compliance Committee which is comprised of the Company’s Chief Financial Officer, General Counsel, Chief Compliance Officer, Chief Human Resources Officer, Chief Customer Officer, Chief Accounting Officer and the Head of Internal Audit. Concerns relating to accounting, legal, internal controls or auditing matters may be brought to the attention of either the Corporate Compliance Committee, its members individually, the Audit Committee directly, or an anonymous reporting channel maintained by the Company. Concerns are handled in accordance with procedures established with respect to such matters under our Reporting Ethics Concerns Policy. For information on how to contact the Audit Committee directly, please see the immediately preceding section of this proxy statement entitled “*Communications with the Board*”.

Board Meetings and Attendance

During 2020, the Board held 8 meetings. Each director who was on the Board that year attended at least 75% of all Board and applicable committee meetings. As set forth in our Corporate Governance Standards, absent extraordinary circumstances, each member of the Board is strongly encouraged to attend each annual stockholder meeting in person. All ten of our current directors attended the 2020 annual meeting of stockholders.

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Director Compensation

Non-Employee Director Compensation Highlights

- Annual review and assessment of director compensation by the Compensation Committee and its independent compensation consultant.
- Emphasis on equity in the overall compensation mix to support stockholder alignment.
- Annual restricted stock unit ("RSU") grants under a fixed stockholder approved annual grant formula.
- Stockholder approved limit on cash and equity compensation to non-employee directors.
- Robust stock ownership guideline set at five times the annual cash retainer to support stockholder alignment.
- Fees for committee service based on workload.
- No performance-based compensation or perquisites

Non-Employee Director Retainer and Meeting Fee Information

Our director compensation programs are designed to provide an appropriate incentive to attract and retain qualified non-employee directors and to align their interests with the long-term interests of our stockholders. We compensate non-employee directors for their service on the Board through a combination of cash and equity awards, the amounts of which are commensurate with their role and involvement and with peer company practices. In setting director compensation, we consider the significant amount of time our directors will expend in fulfilling their duties as well as the skill level required for members of our Board. Directors who also serve as employees of the Company do not receive additional compensation for services as directors.

The Compensation Committee, which is comprised solely of independent directors, has the primary responsibility for reviewing and making recommendations to the Board regarding all matters pertaining to compensation paid to non-employee directors for Board, committee and committee chair services. Under the Compensation Committee's charter, the committee is authorized to engage consultants or advisors in connection with its review and analysis of director compensation.

Each year, the Compensation Committee evaluates the appropriate level and form of compensation for non-employee directors and recommends changes, if any, to the Board. In making non-employee director compensation recommendations, the Compensation Committee takes various factors into consideration, including, but not limited to, the responsibilities of directors generally, as well as committee chairs, and the forms of compensation paid to directors by peer companies, and considers advice from its independent compensation consultant who provides analysis on non-employee director compensation regulatory developments, market trends and data from companies in our executive compensation peer group. The Board reviews the recommendations of the Compensation Committee and determines the form and amount of director compensation. The analysis provided by the Compensation Committee's independent compensation consultant regarding our 2020 director compensation program showed that average pay per director was positioned near the median relative to our peer group. The Compensation Committee did not recommend any changes to the Company's program based on its 2020 director compensation review with the result that the program remained the same year over year.

Limits on Director Compensation: Our non-employee directors currently receive compensation in the form of RSU grants and cash fees. Our 2015 Equity Incentive Plan provides for (i) an annual fixed dollar value of RSUs in an amount equal to \$245,000 (based on the average daily closing price of the Company's common stock over the six month period ending on the last day of the fiscal year preceding the date of grant) to be granted to non-employee directors and (ii) a limit of \$1,000,000 on the total amount of annual equity compensation and cash fees that may be awarded to any non-employee director in a single fiscal year to provide for sufficient flexibility to adjust non-employee director

compensation in the future if such changes are necessary to remain competitive with our peers or align to any material changes in director roles or time commitments.

The following table provides information on Juniper Networks' compensation and reimbursement practices for non-employee directors during the fiscal year ended December 31, 2020 ("fiscal 2020"):

Annual retainer for all non-employee directors (payable quarterly)	\$ 60,000
Additional annual retainer for Audit Committee members (payable quarterly)	\$ 20,000
Additional annual retainer for Compensation Committee members (payable quarterly)	\$ 15,000
Additional annual retainer for Nominating and Corporate Governance Committee members (payable quarterly)	\$ 10,000
Additional annual retainer for Audit Committee Chair (payable quarterly)	\$ 25,000
Additional annual retainer for Compensation Committee Chair (payable quarterly)	\$ 20,000
Additional annual retainer for Nominating and Corporate Governance Committee Chair (payable quarterly)	\$ 10,000
Additional annual retainer for the Chair of the Board (payable quarterly)	\$ 75,000
Additional annual retainer for the Lead Independent Director (payable quarterly)	\$ 30,000
Restricted Stock Units granted annually ⁽¹⁾	\$245,000
Reimbursement for expenses attendant to Board membership	Yes
Payment for each additional committee meeting attended after total committee meeting attendance exceeds eighteen (18) in a calendar year	\$ 1,250

⁽¹⁾ Non-employee directors receive non-discretionary annual grants of RSUs, to further align their interests with stockholders. Pursuant to the 2015 Plan, on the date of each of the Company's annual stockholder meetings, each non-employee director who is elected at (or whose term continues after) such meeting will automatically be granted RSUs for a number of shares equal to the Annual Value (as defined below), rounded down to the nearest whole share. For the grants made in 2020, the "Annual Value" was the number of RSUs equal to \$245,000 divided by the average daily closing price of the Company's common stock over the six-month period ending on the last day of the fiscal year preceding the date of grant.

Director Compensation Table for Fiscal 2020

The following table shows compensation information for our non-employee directors for fiscal 2020. Mr. Rahim, our Chief Executive Officer, did not receive any compensation for serving as a director. Compensation information for Mr. Rahim is included in the "Summary Compensation Table" set forth in this proxy statement.

Director Compensation for Fiscal 2020

Name ⁽¹⁾	Fees Earned or Paid in Cash	Stock Awards	All Other Compensation	Total
Gary Daichendt	\$125,000	\$218,147	\$—	\$343,147
Anne DelSanto	\$ 70,000	\$218,147	\$—	\$288,147
Kevin DeNuccio	\$ 75,000	\$218,147	\$—	\$293,147
James Dolce	\$ 75,000	\$218,147	\$—	\$293,147
Christine Gorjanc	\$ 80,000	\$218,147	\$—	\$298,147
Janet Haugen	\$105,000	\$218,147	\$—	\$323,147
Scott Kriens	\$135,000	\$218,147	\$—	\$353,147
Rahul Merchant	\$ 86,250	\$218,147	\$—	\$304,397
William Stensrud	\$ 80,000	\$218,147	\$—	\$298,147

⁽¹⁾ As of December 31, 2020, each of our non-employee directors listed in the table above held 9,862 RSUs. Amounts shown do not reflect compensation actually received by the director, and there can be no assurance that these amounts will ever be realized by the non-employee directors. Instead, the amount shown is the grant date fair value of the RSU awards granted in fiscal 2020 computed in accordance with ASC Topic 718 — *Compensation — Stock Compensation* ("ASC Topic 718"), disregarding forfeiture assumptions.

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Proposals to be Voted On

Proposal No. 1 Election of Directors

There are ten nominees for election as directors at this year's annual meeting — Gary Daichendt, Anne DelSanto, Kevin DeNuccio, James Dolce, Christine Gorjanc, Janet Haugen, Scott Kriens, Rahul Merchant, Rami Rahim and William Stensrud. A discussion of the primary experience, qualifications, attributes and skills of each director nominee that led our Board and Nominating and Corporate Governance Committee to the conclusion that he or she should serve or continue to serve as a director is included in each of the director biographies. Each director nominee will be elected to serve for a term expiring at the Company's annual meeting of stockholders in 2022 and until his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal. There are no family relationships among any of our executive officers and directors.

If you sign your proxy card but do not give instructions with respect to the election of directors, your shares will be voted for the ten director nominees recommended by the Board. If you hold your shares in street name and do not give voting instructions to your broker, your broker will not be able to vote your shares and your shares will not be voted on this matter.

Recommendation

Our Board recommends a vote "FOR" the election to the Board of: Gary Daichendt, Anne DelSanto, Kevin DeNuccio, James Dolce, Christine Gorjanc, Janet Haugen, Scott Kriens, Rahul Merchant, Rami Rahim and William Stensrud.

Vote Required

Provided a quorum is present, directors will be elected by a majority of the votes cast with respect to the director nominee at the annual meeting (i.e., the number of shares voted "FOR" a director nominee must exceed the number of votes cast "AGAINST" that director nominee).

The names of our directors and director nominees and their ages, positions, qualifications and experience as of the date this proxy statement was filed with the SEC are set forth below.



GARY DAICHENDT

Lead Independent Director since 2014
Age 69

COMMITTEES

Compensation (Chair)

Other Current Public Company Boards:

None

CURRENT AND PAST POSITIONS

Mr. Daichendt has been principally occupied as a private investor since June 2005 and has been a managing member of Theory R Properties LLC, a commercial real estate firm, since October 2002. Mr. Daichendt served as President and Chief Operating Officer of Nortel Networks Corporation, a supplier of communication equipment, from March 2005 to June 2005. Prior to joining Nortel Networks, Mr. Daichendt served in a number of senior executive positions at Cisco Systems, Inc., a manufacturer of communications and information technology networking products, for six years, including as Executive Vice President, Worldwide Operations from August 1998 to December 2000, and as Senior Vice President, Worldwide Operations from September 1996 to August 1998. Mr. Daichendt previously served as a director of NCR Corporation from April 2006 to April 2018, ShoreTel, Inc. from April 2007 to February 2015, Emulex Corporation from February 2014 to May 2015 and Polycom, Inc. from August 2015 to September 2016.

SPECIFIC QUALIFICATIONS, ATTRIBUTES, SKILLS AND EXPERIENCE

- Senior leadership, executive experience, and management expertise gained from serving in sales, marketing, channel management and operations, including as an officer of companies in the networking industry
- Public company governance experience as a member of the board of directors and board committees of other public technology companies



ANNE DELSANTO

Director since 2019
Age 57

COMMITTEES

Nominating and Corporate Governance

Other Current Public Company Boards:

New Relic, Inc.; Advanced Energy Industries, Inc.

CURRENT AND PAST POSITIONS

Ms. DelSanto has principally served as a limited partner at Operator Collective, a consulting company, since December 2019. Ms. DelSanto is also serving as a limited partner at Stage 2 Capital, a consulting company, since March 2019. From February 2018 to April 2019, she served as Executive Vice President and General Manager, Platform at Salesforce.com, Inc. ("Salesforce"), a customer relationship management company. Prior to her current role, she served in various executive-level roles at Salesforce since October 2012, including as the Executive Vice President, Americas Solution Engineering & Cloud Sales from February 2016 to February 2018; Executive Vice President, Global Solution Engineering and Cloud Specialist Sales from February 2015 to February 2016; and Senior Vice President, Global Solutions Engineering from October 2012 to February 2015. Prior to joining Salesforce, Ms. DelSanto also served in various roles of increasing responsibility in pre-sales from 1999 to 2012 at Oracle Corporation ("Oracle"), an information technology and services company, including most recently as Group Vice President, Sales Engineering from February 2012 to September 2012; and Vice President of Sales Engineering from 2007 to February 2012. She began her career in 1985 as an account systems engineer at IBM, an information technology and services company. Ms. DelSanto began her service on the board of directors of New Relic, Inc. in August 2020 and her service on the board of directors of Advanced Energy Industries, Inc. in October 2020.

SPECIFIC QUALIFICATIONS, ATTRIBUTES, SKILLS AND EXPERIENCE

- Senior leadership, executive experience, and management expertise gained from serving as a senior sales executive at several technology companies
- Broad industry knowledge, background and expertise with cloud-businesses, software-as-a-service business models, and the requirements of Enterprise customers gained through her experience as a senior leader in companies that leverage the cloud for their business model's success
- Public company governance experience as a member of the board of directors of other public technology companies

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KEVIN DENUCCIO

Director since 2014
Age 61

COMMITTEES

Compensation

Other Current Public Company Boards:

Calix, Inc.; Marathon Patent Group, Inc.

CURRENT AND PAST POSITIONS

Mr. DeNuccio most recently served as Executive Chairman of SevOne, Inc., a digital infrastructure management software company, from May 2017 to November 2019. He served as President and Chief Executive Officer of Violin Memory, a flash-based storage array solutions company, from February 2014 to April 2017. In December 2016, Violin Memory filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. Prior to joining Violin Memory, Mr. DeNuccio served as a co-founder of Wild West Capital, LLC, a venture and technology consulting firm he co-founded in July 2012. Prior to that, Mr. DeNuccio served as Chief Executive Officer of Metaswitch Networks, a provider of carrier systems and software solutions that enable communication networks to migrate to open, packet-based architectures, from February 2010 to July 2012.

Mr. DeNuccio was President and Chief Executive Officer of Redback Networks Inc., a provider of advanced communications networking equipment, from August 2001 to January 2008, during which time it was acquired by Telefonaktiebolaget LM Ericsson ("Ericsson") in January 2007 and operated as a wholly-owned subsidiary of Ericsson.

Mr. DeNuccio held various positions at Cisco from 1995 to 2001, including Senior Vice President of Worldwide Service Provider Operations. Previously, Mr. DeNuccio was the founder, President and Chief Executive Officer of Bell Atlantic Network Integration Inc., a wholly-owned subsidiary of Bell Atlantic (now Verizon Communications). Mr. DeNuccio has served on the board of directors of Calix, Inc. since September 2012, and on the board of directors of Marathon Patent Group, Inc., beginning in January 2021.

Mr. DeNuccio previously served as a director of Sandisk Corporation from August 2009 to February 2014, Metaswitch Networks from December 2008 to February 2014 and Violin Memory from February 2014 to April 2017.

SPECIFIC QUALIFICATIONS, ATTRIBUTES, SKILLS AND EXPERIENCE

- Senior leadership, executive experience, management, and operational and technological expertise gained through experience as a senior executive at companies in the technology and networking industries, including as chief executive officer of networking companies
- Public company governance experience as a member of the boards of directors and board committees of other public technology companies



JAMES DOLCE

Director since 2015
Age 58

COMMITTEES

Compensation

Other Current Public Company Boards:

None

CURRENT AND PAST POSITIONS

Mr. Dolce has served as the Chief Executive Officer and a director at Lookout, Inc., a mobile security company, since March 2014. Prior to joining Lookout, Mr. Dolce was the Vice President of carrier market development at Akamai Technologies, Inc., a content delivery network and cloud services provider, from December 2012 until February 2014, and prior to that, he was the Founder and Chief Executive Officer at Verivue, Inc. ("Verivue"), a provider of digital content delivery solutions, which was acquired by Akamai, from 2006 until December 2012. Prior to Verivue, Mr. Dolce served as Executive Vice President of worldwide field operations at Juniper Networks from 2002 to 2006, where he led Juniper Networks' global sales, marketing and customer service efforts. Mr. Dolce joined Juniper Networks through its acquisition of Unisphere Networks, Inc., where he served as Chief Executive Officer from 1999 to 2002. Mr. Dolce served on the board of directors of Infinera Corporation from May 2014 until January 2016.

SPECIFIC QUALIFICATIONS, ATTRIBUTES, SKILLS AND EXPERIENCE

- Senior leadership, executive experience, management, and operational and technological expertise gained through experience as a senior executive at companies in the technology and networking industries, including as chief executive officer of technology companies
- In-depth knowledge of Juniper Networks' customers and industry due to his prior executive experience at Juniper Networks
- Public company governance experience as a member of the boards of directors and board committees of other public technology companies
- Expertise in cybersecurity



CHRISTINE GORJANC

Director since 2019
Age 64

COMMITTEES

Audit

Other Current Public Company Boards:

Invitae Corporation

CURRENT AND PAST POSITIONS

Ms. Gorjanc served as the Chief Financial Officer for Arlo Technologies, Inc. ("Arlo"), an intelligent cloud infrastructure and mobile app platform company, from August 2018 to June 2020. Prior to her role with Arlo, she served as the Chief Financial Officer of NETGEAR, Inc., a provider of networking products and services, since January 2008, where she previously served as Chief Accounting Officer from December 2006 to January 2008 and Vice President, Finance from November 2005 to December 2006. Prior to joining NETGEAR, Inc., Ms. Gorjanc served in a number of roles including as the Vice President, Controller, Treasurer, and Assistant Secretary of Aspect Communications Corporation, a provider of workforce and customer management solutions, from September 1996 through November 2005. Ms. Gorjanc served as the Manager of Tax for Tandem Computers, Inc., a provider of fault-tolerant computer systems, from October 1988 through September 1996. Prior to 1996, Ms. Gorjanc served in management positions at Xidex Corporation, a manufacturer of storage devices, and spent eight years in public accounting. Ms. Gorjanc has served on the board of directors and as the Chair of the audit committee of Invitae Corporation since November 2015.

SPECIFIC QUALIFICATIONS, ATTRIBUTES, SKILLS AND EXPERIENCE

- Senior leadership, executive experience, management and financial expertise gained through service as a chief financial officer as well as broad industry knowledge gained as a senior executive of rapidly-growing international technology companies operating in the intelligent cloud, networking products and services industries
- Public company governance experience as a member of the board of directors and audit committee of other public technology companies
- Expertise in cybersecurity
- Audit Committee Financial Expert



JANET HAUGEN

Director since 2019
Age 62

COMMITTEES

Audit (Chair)

Other Current Public Company Boards:

Paycom Corporation; Bentley Systems, Incorporated

CURRENT AND PAST POSITIONS

Ms. Haugen served as the Senior Vice President and Chief Financial Officer of Unisys Corporation ("Unisys"), a global information technology company, from April 2000 to November 2016. She also held positions as Vice President, Controller and Acting Chief Financial Officer of Unisys between April 1996 and April 2000. Prior to joining Unisys, she was an audit partner at Ernst & Young ("EY") from 1993 to 1996, after serving in positions of increasing responsibility at EY from 1980 to 1993. Ms. Haugen currently serves on the board of directors, audit committee chair and a member of the compensation committee of Paycom Software, Inc., a provider of comprehensive, cloud-based human capital management software, a position she has held since February 2018, as well as the board of directors and a member of the compensation committee and the audit committee of Bentley Systems, Incorporated since September 2020. She also served on the board of directors and as the Chair of the audit committee of SunGard Data Systems Inc. from 2002 to 2005.

SPECIFIC QUALIFICATIONS, ATTRIBUTES, SKILLS AND EXPERIENCE

- Senior leadership, executive experience, management and financial expertise gained through service as a chief financial officer as well as broad industry knowledge gained as a senior executive of a global technology company and as an audit partner with a public accounting firm
- Public company governance experience as a member of the boards of directors, compensation committee, and audit committee of other public technology companies
- Audit Committee Financial Expert

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SCOTT KRIENS

Director since 1996
Age 63

Chairman of the Board

Other Current Public Company Boards:

None

CURRENT AND PAST POSITIONS

Mr. Kriens has served as Chairman of the Board of Directors of Juniper Networks since October 1996, Chief Executive Officer of Juniper Networks from October 1996 to September 2008 and an employee of Juniper Networks through April 2011. From April 1986 to January 1996, Mr. Kriens served as Vice President of Sales and Vice President of Operations at StrataCom, Inc., a telecommunications equipment company, which he co-founded in 1986. Mr. Kriens also served on the board of directors of Equinix, Inc. from July 2000 to June 2020.

SPECIFIC QUALIFICATIONS, ATTRIBUTES, SKILLS AND EXPERIENCE

- Extensive understanding of the networking industry in general with a highly informed perspective on our business due to Mr. Kriens' service as the former Chief Executive Officer of Juniper Networks
- Insight into the evolution of the Company, including from execution, cultural, operational, competitive and industry points of view, due to Mr. Kriens' experience with the Company from its early stages
- Deep understanding of the operation of other boards of directors gained through his experience serving on the board of directors and board committees of other public technology companies contributes to his role as Chairman



RAHUL MERCHANT

Director since 2015
Age 64

COMMITTEES

Audit

Other Current Public Company Boards:

None

CURRENT AND PAST POSITIONS

Mr. Merchant has served as Senior Executive Vice President and Head of Client Services & Technology of TIAA-CREF, a leading financial services provider, since March 2017. Previously, Mr. Merchant served as Senior Executive Vice President and Chief Information Officer of TIAA-CREF from January 2017 to March 2017 and as Executive Vice President and Chief Information Officer of TIAA-CREF from April 2015 to January 2017. Prior to joining TIAA-CREF, he was the Chief Information and Innovation Officer for the City of New York from April 2012 to February 2014. From 2009 to April 2012, Mr. Merchant was a partner at Exigen Capital, a private equity firm based in New York City. From 2006 until 2008, Mr. Merchant was Executive Vice President, Chief Information Officer and member of the Executive Committee at Fannie Mae. He also served as Senior Vice President, Chief Information Officer and Chief Technology Officer at Merrill Lynch & Co. from 2000 to 2006. Mr. Merchant has also held senior leadership positions at Cooper Neff and Associates, Lehman Brothers, Sanwa Financial Products and Dresdner Bank. Mr. Merchant previously was a member of the board of directors of Emulex Corporation, Level 3 Communications, Inc., Sun Microsystems, Inc. and Fair Isaac Corporation.

SPECIFIC QUALIFICATIONS, ATTRIBUTES, SKILLS AND EXPERIENCE

- Senior leadership, executive experience, management, operational and technological expertise, as well as a detailed knowledge of Juniper Networks' customers and industry gained through experience as a senior technology executive at many companies in the financial industry and in the public sector
- Insight and experience related to information technology, cybersecurity best practices and the relationship between information security programs and broader business goals and objectives due to his role as a Chief Information Officer
- Public company governance experience based on his prior service on the board of directors and board committees of other public technology companies
- Expertise in cybersecurity
- Audit Committee Financial Expert



RAMI RAHIM

Director since 2014
Age 50

Other Current Public Company Boards:

None

CURRENT AND PAST POSITIONS

Mr. Rahim joined Juniper Networks in January 1997 and was appointed as Chief Executive Officer of the Company in November 2014. Previously, Mr. Rahim served as Executive Vice President and General Manager, Juniper Development and Innovation, responsible for driving innovation across the Company through the oversight of all research and development programs, strategy, development, and business growth across the portfolio of routing, switching, and security. He has also overseen the ongoing evolution of silicon technology and the Junos operating system. In addition, Mr. Rahim has served at Juniper Networks in a number of roles, including Executive Vice President, Platform Systems Division, Senior Vice President and General Manager, Edge and Aggregation Business Unit, and Vice President, Product Management for the Edge and Aggregation Business Unit. Prior to that, Mr. Rahim spent the majority of his time at the Company in the development organization where he helped with the architecture, design and implementation of many Juniper Networks' core, edge, and carrier Ethernet products.

SPECIFIC QUALIFICATIONS, ATTRIBUTES, SKILLS AND EXPERIENCE

- Extensive knowledge and understanding of the Company and its industry due to Mr. Rahim's day-to-day involvement in the Company's business as Chief Executive Officer
- Insight and information related to the Company's strategy, financial condition, operations, competitive position and business
- In-depth industry and business experience in building and operating complex networks and a detailed knowledge of Juniper Networks' customers and industry gained through his prior experience in a number of management and senior executive roles at Juniper Networks
- Insight into the evolution of the Company, including from execution, cultural, operational, competitive and industry points of view due to his experience with Juniper Networks from its early stages
- Expertise in cybersecurity



WILLIAM STENSRUD

Director since 1996
Age 70

Other Current Public Company Boards:

None

CURRENT AND PAST POSITIONS

Mr. Stensrud has served as a Partner of the SwitchCase Group, a consulting company, the Chairman of InstantEncore.com, a provider of web and mobile technology to the performing arts, and Chairman and Principal at Interactive Fitness Holdings, a designer and manufacturer of virtual stationary bicycles. From January 2007 to March 2007, he served as Chairman and Chief Executive Officer of Muze, Inc., a provider of business-to-business digital commerce solutions and descriptive entertainment media information. Mr. Stensrud was a general partner with the venture capital firm of Enterprise Partners from January 1997 to December 2006. Mr. Stensrud was an independent investor and turn-around executive from March 1996 to January 1997. During this period, Mr. Stensrud served as President of Paradyne Corporation and as a director of Paradyne Corporation, Paradyne Partners LLP and GlobeSpan Corporation, Inc. (acquired by Conexant, Inc.), all data networking companies. From January 1992 to July 1995, Mr. Stensrud served as President and Chief Executive Officer of Primary Access Corporation, a data networking company acquired by 3Com Corporation. From 1986 to 1992, Mr. Stensrud served as the Marketing Vice President of StrataCom, which he co-founded.

SPECIFIC QUALIFICATIONS, ATTRIBUTES, SKILLS AND EXPERIENCE

- In-depth experience in venture capital and in the management of a wide variety of technology companies due to exposure to a broad range of issues affecting businesses, including a number of businesses in the technology and data networking industries, including service as a chief executive officer of networking companies
- Management experience with knowledge and perspective on the Company's daily operating challenges gained from experience as an operating executive in the telecommunications and data networking industries
- Strategic analytical skills gained by focusing on improving various aspects of businesses, including operations, strategies, and financial performance

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Proposal No. 2

Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of our independent registered public accounting firm. The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2021. Ernst and Young LLP has served as our independent registered public accounting firm since 1996, and Ernst & Young LLP's current lead audit partner was selected in 2018.

The Audit Committee periodically considers whether there should be a rotation of independent registered public accounting firms because the Audit Committee believes it is important for our independent registered public accounting firm to maintain independence and objectivity. The Audit Committee annually reviews Ernst & Young LLP's qualifications, performance, independence and fees in making its decision to engage Ernst & Young LLP and discusses the overall scope and plans for the annual audit with Ernst & Young LLP. The focus of this review process is to select and retain the most qualified firm to perform the annual audit. During the review and selection process, the Audit Committee considers a number of factors including:

- Recent and historical audit performance, including the results of a management survey concerning Ernst & Young's service;
- The relevant experience, expertise and capabilities of Ernst & Young LLP and the audit engagement team in relation to the nature and complexity of our business;
- A review of the firm's independence and internal quality controls;
- Any legal or regulatory proceedings that raise concerns about Ernst & Young LLP's qualifications or ability to continue to serve as our independent auditor, including reports, findings and recommendations of the Public Accounting Oversight Board;
- The appropriateness of Ernst & Young LLP's fees for audit and non-audit services; and
- The length of time that Ernst & Young LLP has served as our independent auditor, the benefits of maintaining a long-term relationship and controls and policies for ensuring that Ernst & Young LLP remains independent.

In accordance with SEC rules and company policies, our lead audit partner is limited to a maximum of 5 years of service in that capacity. In order to select the lead engagement partner, management meets with each candidate for the role and then reviews and discusses the candidates. Based on recommendations from management and the chair, the full committee reviews and approves the lead engagement partner. Based on our review, the members of the Audit Committee and the Board believe that the continued retention of Ernst & Young LLP to serve as our independent registered public accounting firm is in the best interests of the Company and its stockholders.

During fiscal 2020, Ernst & Young LLP provided certain tax and audit related services. See the "*Principal Accountant Fees and Services*" section of this proxy statement. Pursuant to its charter, the Audit Committee is responsible for pre-approving all audit and permissible non-audit services provided by the Company's independent registered public accounting firm. The Audit Committee pre-approved all services performed by the Company's independent registered public accounting firm in 2020 and 2019.

Representatives of Ernst & Young LLP are expected to attend the annual meeting, where they are expected to be available to respond to appropriate questions and, if they desire, to make a statement.

Although stockholder ratification of the appointment of our independent registered public accounting firm is not required by our bylaws or otherwise, the Board is submitting the appointment of Ernst & Young LLP to our stockholders for ratification because we value our stockholders' views on our independent registered public accounting firm and as a matter of good corporate governance. If the appointment is not ratified, the Audit Committee will consider whether it should select another independent registered public accounting firm. Even if the appointment is ratified, the Audit Committee, in its discretion, may appoint a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the Company's and its stockholders' best interests.



Recommendation

Our Board unanimously recommends a vote “FOR” the ratification of the appointment of Ernst & Young LLP as Juniper Networks’ independent registered public accounting firm for the fiscal year ending December 31, 2021.

If you sign your proxy card but do not give instructions with respect to this proposal, your shares will be voted “FOR” the proposal, as recommended by the Board. Even if you do not give voting instructions to your broker, your broker may vote your shares on this matter.

Vote Required

Provided a quorum is present, ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2021 requires the affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to vote at the annual meeting.

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Principal Accountant Fees and Services

The Audit Committee has appointed Ernst & Young LLP, an independent registered public accounting firm, to serve as Juniper Networks' auditors for the fiscal year ending December 31, 2021.

Fees Incurred by Juniper Networks for Ernst & Young LLP

Fees for professional services billed or to be billed by the Company's independent registered public accounting firm in each of the last two years were approximately:

	2020	2019
Audit Fees	\$5,947,472	\$5,951,882
Audit-Related Fees	\$ 545,000	\$ 622,000
Tax Fees	\$ 436,474	\$ 752,192
All Other Fees	\$ 0	\$ 0
Total	\$6,928,946	\$7,326,074

Audit fees include professional services fees in connection with the audit of the Company's annual financial statements, the review of its quarterly financial statements, and the issuance of a comfort letter and consents, and audit services provided in connection with other statutory or regulatory filings.

Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements, and are not reported under "Audit Fees". These services include accounting consultations in connection with transactions, attest services that are required by statute or regulation, and consultations concerning financial accounting and reporting standards.

Tax fees are for professional services rendered for tax compliance, tax advice or tax planning.

All other fees, which include fees for products and services other than those described above under "Audit Fees," "Audit-Related Fees," and "Tax Fees," for the years ended December 31, 2019 and December 31, 2020, were zero.

Audit Committee's Pre-Approval Policy and Procedures

Pursuant to its charter, the Audit Committee is responsible for pre-approving all audit and permissible non-audit services provided by the Company's independent registered public accounting firm. The Audit Committee's charter gives the Audit Committee the power to delegate to one or more members of the Audit Committee the authority to pre-approve permissible non-audit services. The Audit Committee pre-approved all services performed by the Company's independent registered public accounting firm in 2020 and 2019.

Report of the Audit Committee of the Board of Directors

The following Audit Committee Report shall not be deemed to be “soliciting material” and should not be deemed “filed” and shall not be deemed to be incorporated by reference in future filings with the SEC, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

The Audit Committee is composed entirely of non-management directors. The members of the Audit Committee meet the independence and financial literacy requirements of the NYSE and additional, heightened independence criteria applicable to members of the Audit Committee under SEC and NYSE rules. The Audit Committee operates under a written charter, which contains a description of the scope of the Audit Committee’s responsibilities and how they will be carried out, which may be found on the Company’s website at <http://investor.juniper.net/investor-relations/corporate-governance/default.aspx>.

The Audit Committee oversees the Company’s financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including establishing and maintaining adequate internal control over the Company’s financial reporting. The independent registered public accounting firm of Ernst & Young LLP, or E&Y, reports to the Audit Committee, and E&Y is responsible for performing an independent audit of the Company’s consolidated financial statements and internal control over financial reporting in accordance with generally accepted auditing standards in the United States. The Audit Committee discussed the overall scope and plans for the annual audit with E&Y.

The Audit Committee meets regularly with E&Y, with and without management present, to discuss the results of E&Y’s examinations, evaluations of the Company’s internal controls, and the overall quality of the Company’s financial reporting. The Audit Committee held 8 meetings during fiscal 2020.

In this context, the Audit Committee hereby reports as follows:

1. The Audit Committee has reviewed and discussed the Company’s audited financial statements for the fiscal year ended December 31, 2020 with the Company’s management.
2. The Audit Committee has discussed with the Company’s independent registered public accounting firm the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC.
3. The Audit Committee has received the written disclosures and the letter from the Company’s independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm’s communications with the Audit Committee concerning independence, and has discussed with the Company’s independent registered public accounting firm its independence.
4. Based on the review and discussion referred to in paragraphs (1) through (3) above, the Audit Committee recommended to the Board that the Company’s audited financial statements for the fiscal year ended December 31, 2020 be included in Juniper Networks’ Annual Report on Form 10-K for the fiscal year ended December 31, 2020, for filing with the SEC.

MEMBERS OF THE AUDIT COMMITTEE

Janet Haugen (Chair)
Christine Gorjanc
Rahul Merchant

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Proposal No. 3

Non-Binding Advisory Vote on Executive Compensation

This proposal, commonly known as a “Say-on-Pay” proposal, provides our stockholders with the opportunity to cast a vote, on an advisory basis, on the compensation of the executive officers named in the “*Summary Compensation Table*” below, who we refer to as our “named executive officers” or “NEOs,” pursuant to Section 14A of the Exchange Act. For more detail on the compensation of our NEOs, please see the section entitled “*Executive Compensation*,” including the “*Compensation Discussion and Analysis*” and the compensation tables included in this proxy statement.

The Company’s current policy is to hold a Say-on-Pay vote each year, and we expect to hold another advisory vote with respect to executive compensation at the 2022 annual meeting of stockholders.

As described in detail in the “*Compensation Discussion and Analysis*” section of this proxy statement, we design our executive compensation program to implement our core objectives of (i) providing competitive pay, (ii) paying for performance, and (iii) aligning management’s interests with the interests of our long-term stockholders. We believe that compensation in 2020 for our Chief Executive Officer and our other NEOs is well aligned with the Company’s performance and the interests of our stockholders and reflects our objective to link pay with performance for our NEOs.

Recommendation

Our Board believes that the Company’s executive compensation program uses appropriate structures and sound pay practices that are effective in achieving our core objectives. Accordingly, the Board of Directors recommends that you vote “FOR” the following resolution:

“RESOLVED, that Juniper Networks, Inc. stockholders approve, on an advisory basis, the compensation of the Company’s named executive officers as disclosed pursuant to the Securities and Exchange Commission’s compensation disclosure rules, including the Compensation Discussion and Analysis and Executive Compensation sections of this proxy statement.”

If you sign your proxy card but do not give instructions with respect to this proposal, your shares will be voted “FOR” the proposal, as recommended by the Board. If you do not give voting instructions to your broker, your broker will not be able to vote your shares and your shares will not be voted on this matter.

Vote Required

Provided a quorum is present, the advisory approval of our executive compensation requires the affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to be voted at the annual meeting.

As this is an advisory vote, the result will not be binding; however, the Compensation Committee, which is responsible for designing and administering the Company’s executive compensation program, values the opinions expressed by our stockholders and will take the outcome of the vote under advisement in evaluating our executive compensation principles, design and practices.

Executive Compensation

Compensation Discussion and Analysis

Our Compensation Discussion and Analysis provides an overview of (1) our executive compensation policies, framework and philosophy, and (2) the compensation decisions the Compensation Committee has made under such policies, framework and philosophy for the named executive officers (“NEOs”) of the Company, who are listed below.

Named Executive Officers	
Rami Rahim	Chief Executive Officer (“CEO”)
Anand Athreya	Executive Vice President, Chief Development Officer
Kenneth Miller	Executive Vice President, Chief Financial Officer
Manoj Leelanivas	Executive Vice President, Chief Product Officer
Brian Martin	Senior Vice President, General Counsel

We refer to the Compensation Committee in this “*Compensation Discussion and Analysis*” section of the proxy statement as the “Committee.”

Our Compensation Discussion and Analysis is organized into four sections.

- Section 1 — Executive Summary
- Section 2 — Setting Executive Compensation
- Section 3 — Elements of Executive Compensation
- Section 4 — Other Compensation Policies and Information

Section 1 — Executive Summary

Juniper Networks Overview and 2020 Performance

2020 was an unprecedented year, and presented challenges that none of us could have predicted at the start of the year. The global COVID-19 pandemic materially impacted our supply chain, the way we work and collaborate, and how we engage with our customers around the world. These challenges resulted in extended lead-times to our customers, increased logistics costs, and impacted the volume of products we were able to deliver, which negatively impacted our ability to recognize revenue and our gross margins. Despite these challenges, 2020 also proved to be a year of opportunity for Juniper. In 2020, despite the on-going COVID-19 pandemic, we grew our enterprise business for a fourth consecutive year, we grew our cloud business for a second consecutive year, and we stabilized our service provider business. In addition, we entered 2021 with the highest customer satisfaction scores we have seen in a number of years. These results were made possible by the efforts of our employees who executed exceptionally well in the face of adversity. We have built a valuable and resilient team over the years, and we remain focused on providing them with the resources that they need to meet the needs of our customers and deliver new innovations to the markets we serve, despite challenges introduced by the COVID-19 pandemic.

In 2020, even as the vast majority of our workforce transitioned to a work-from-home model, we successfully executed upon a number of strategic acquisitions. In 2020, we acquired 128 Technology and Netrounds, and announced our intent to acquire Apstra, which was acquired in January 2021. Our acquisition of 128 Technology represents the next evolution of our AI-driven enterprise vision. Further, we believe our acquisition of Netrounds will enable service and cloud providers to rapidly deliver software-defined network services with guaranteed end-to-end service quality and that our acquisition of Apstra will expand upon our data center networking portfolio to advance our vision to transform data center operations. We are encouraged by the customer interest in each of these transactions, and we believe these businesses will positively impact our performance in the upcoming year.

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We firmly believe we are taking market share and that the deliberate actions we have taken, along with some of the investments we have made, should position us to not only capitalize on the big market opportunities, such as 400G and 5G, that are likely to unfold over the next few years, but also to see broader market success that decreases our sensitivity to macro trends. We believe our plans will enable us to emerge from the pandemic stronger than we entered and deliver sustainable top and bottom-line growth over the next several years, even if end market conditions remain challenged.

The following tables highlight certain year-over-year key financial results.

Certain Key Financial Results: 2020 vs. 2019

Results (in millions, except per share amounts and percentages)	Fiscal 2019	Fiscal 2020	Year-over-Year % Change
Revenue	\$4,445.4	\$4,445.1	0.0%
Cash Flow from Operations	\$ 528.9	\$ 612.0	15.7%
Per Share Stock Price at Fiscal Year End	\$ 24.63	\$ 22.51	-8.6%
Dividends per Share	\$ 0.76	\$ 0.80	5.3%
Stock Buyback	\$ 550.0	\$ 375.0	-31.8%

Impact of COVID-19 on Executive Compensation Decisions

During the first quarter of 2020, consistent with prior years, the Board approved the Company's 2020 financial plan, which the Committee utilized in connection with its establishment of compensation-related performance goals. As described above under "Corporate Citizenship and Sustainability", by March 2020, the COVID-19 pandemic and associated lockdowns resulted in significant uncertainty and adverse global business. As a result, in the second quarter of 2020, the Board prudently implemented a revised 2020 financial plan for the Company that, among other things, adjusted our revenue and non-GAAP earnings per share ("EPS") goals for the Company. In developing the revised plan, the Company's senior leadership team reviewed with the Board various scenarios to assess the range of possible financial outcomes for the Company for 2020. The final plan that was adopted by the Board was intended to reflect the anticipated impact of COVID-19 on the economy, our customer base, and our logistics and supply chain, which was expected to continue to be negatively impacted by constrained manufacturing capacity as well as component parts shortage for the duration of 2020, while at the same time driving us towards maintaining our financial strength and developing a solid foundation for the Company to execute against its long-term strategy. The revised 2020 financial plan also took into account our significant efforts to improve financial flexibility by lowering fixed and short-term expenses, which included substantially reducing budgets for annual salary increase for the employee population. Consistent with our pay for performance philosophy, and as described in more detail below, in determining the amounts earned by our NEOs under our Executive Annual Incentive Plan for 2020 and the portion of their PSAs based on 2020 performance, the Committee applied the revenue and EPS targets from the Company's revised financial plan for 2020 so that the final performance-related payout for 2020 for our NEOs would continue to align to the financial plan ultimately utilized by the Company in 2020. In addition, to demonstrate leadership and alignment with our other employees, the NEOs volunteered to forego, and the Committee approved a rescission to, previously approved salary increases for the NEOs.

2020 Pay Outcomes

Our fiscal year financial results and stock price performance resulted in executive compensation program outcomes, which align with our pay-for-performance philosophy:

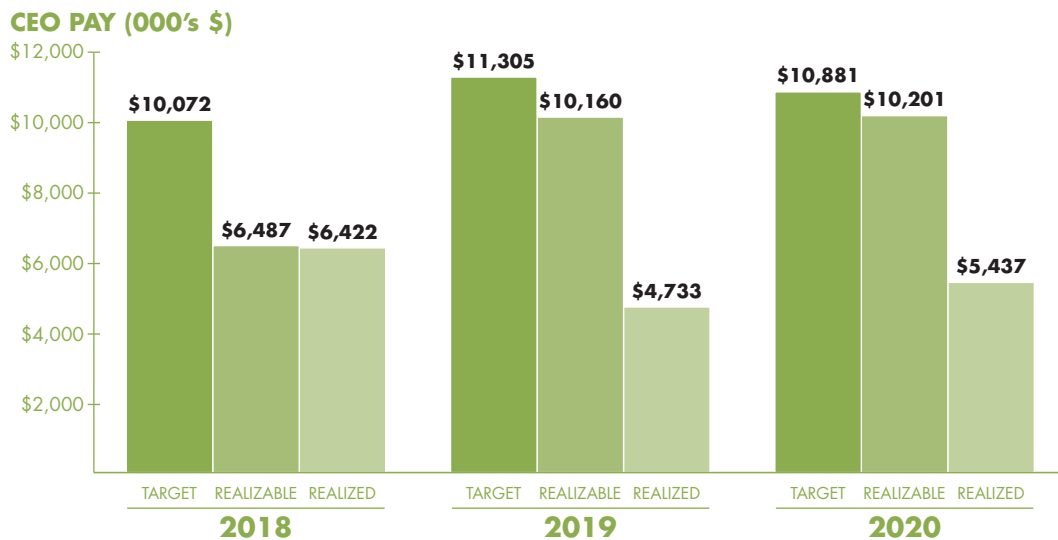
- The Executive Annual Incentive Plan ("AIP") paid out at less than target. For 2020, our AIP had a 93% payout for our NEOs, a portion of which was delivered in Bonus PSUs (as described in greater detail below), which we believe better aligns stockholder interests directly to executive compensation outcomes.
- Similarly, the 2020 tranche for our three-year financial performance share awards ("Financial PSAs") "banked" at an amount less than target. For 2020, our PSAs "banked" at 89%.
- Based on performance during the three-year period covering fiscal years 2018, 2019 and 2020, our 2018 Financial PSAs were earned and settled at approximately 56% of target.

- The relative total shareholder return performance share awards (“RTSR PSAs”) granted in 2018 did not vest and were forfeited unearned.
- Based on stock price performance in 2020, no price-vested RSUs, which were issued in prior years, vested in 2020, and the price-vested RSUs granted in 2016 were forfeited unearned.

CEO Compensation for 2018-2020

Consistent with the Committee’s “pay-for-performance” philosophy, the majority of our CEO’s target pay is at risk. As a result, we believe that the value that will ultimately be realized by our CEO aligns with the Company’s strategic and financial results and stock price performance. We believe that realizable and realized compensation perspectives provide valuable data points to evaluate the alignment between pay-and-performance for our CEO.

Target versus Realizable and Realized Pay: 2018-2020



The above chart illustrates the value of target pay granted to the CEO from fiscal years 2018-2020 compared to both his realizable pay and realized pay over the same time frame.

“Target Pay” reflects (1) the sum of the following components reported in our “*Summary Compensation Table*” for the applicable year: Salary, Stock Awards, and All Other Compensation, and (2) the target opportunity reflected in our “*Grants of Plan-Based Awards*” table for the applicable year with respect to Non-Equity Incentive Plan Awards.

“Realizable Pay” is calculated in the same manner as “Target Pay,” except (i) the amounts shown in the Bonus column in our “*Summary Compensation Table*” for the applicable year are included, (ii) the Non-Equity Incentive Plan Compensation reflects the actual value disclosed for the applicable year in our “*Summary Compensation Table*,” and (iii) equity incentive vehicles are valued based on the closing price per share of our common stock at each fiscal year end, and further adjusted as follows:

- PSA awards include only the actual number of “banked” shares associated with the relevant fiscal year’s performance goal to reflect the achievement of annual performance targets established for the applicable year,
- PSA awards granted in the applicable year that vest based upon achievement of Juniper’s total shareholder return relative to the S&P 500 Index reflect the target number of shares issuable for such awards, and
- Bonus PSUs for the applicable year are included only if the performance conditions were achieved.

“Realized Pay” reflects (i) Salary, Bonus, Non-Equity Incentive Plan Compensation and All Other Compensation as reported in our “*Summary Compensation Table*” for the applicable year and (ii) the Value Realized on Vesting as reported in our “*Stock Vested*” table for the applicable year.

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Stockholder Engagement for 2020

The Committee considers the outcome of the annual “Say-on-Pay” advisory vote when making decisions regarding the executive compensation program. At the Company’s 2020 Annual Meeting of Stockholders, approximately **96%** of the votes cast on the fiscal year 2020 Say-on-Pay advisory vote were cast in favor of approving the compensation of our NEOs. The Committee viewed the outcome of the Say-on-Pay advisory vote as indicative that a significant majority of the Company’s stockholders view the Committee’s approach to executive compensation favorably.

As described above in the section entitled “*Stockholder Engagement*” of this proxy statement, our engagement efforts, as well as ongoing conversations between management and stockholders on a variety of matters, reflect our commitment to strong corporate governance and our goal of seeking input directly from our stockholders, which we believe allows us to better understand our stockholders’ perspectives.

As a result of the Committee’s evaluation of the results of the “Say-on-Pay” advisory vote, the feedback received from stockholders and the advice from the Committee’s independent compensation consultant, the Committee determined that significant changes to the design of the Company’s executive compensation and equity programs were not warranted at this time; however, the Committee determined to:

- **Continue Providing PSAs Based Upon Relative Total Shareholder Return.** The Committee believes that RTSR PSAs help to strengthen the alignment between our NEOs’ compensation with shareholder interests as payout is predicated on the Company’s long-term performance relative to the S&P 500 Index over a sustained period. Based on the Company’s TSR performance, shares may be earned at the conclusion of the three-year performance period, ensuring that NEOs are incentivized to remain at the Company to develop and execute on long-term strategic goals.
- **Continue Focusing on Prudent Management of the Company’s Equity Burn-Rate.** The Company intends to continue focusing on keeping its equity burn-rate in-line with its peer companies. For purposes of determining burn-rate, the Company counts each RSU as one share and each performance share as one share based on the target number of shares issuable under the award. Based in part upon input received from stockholders, for 2020, the Committee approved an equity burn-rate of 2.30% of basic weighted-average common shares outstanding (“CSO”) notwithstanding the sustained decrease in CSO over the last five years as the Company followed through on its shareholder return commitment. In normal circumstances, we believe this commitment helps to mitigate stockholder dilution while still allowing us to be competitive to attract and retain talent.

However, as the year progressed, the Company anticipated the need to modestly increase the equity burn-rate to accomplish certain critical business objectives, including the following:

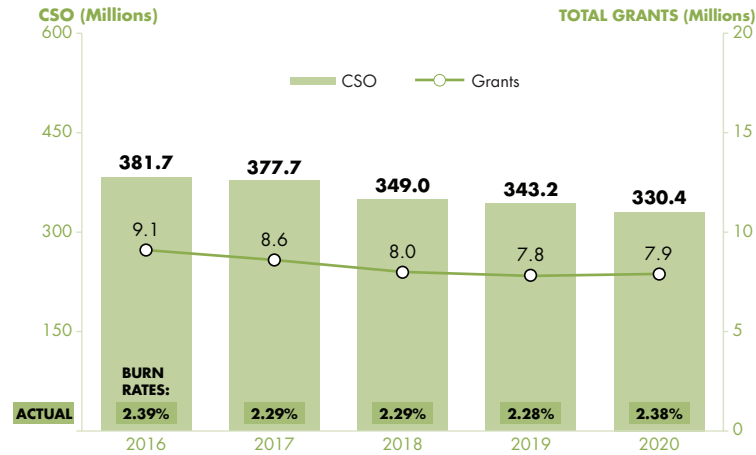
- **Key Technology and Senior Leadership Hires.** Significant equity grants were needed to secure hiring of employees in newer technology areas as specialized skills remained in high demand, as well as in connection with new hire grants provided to senior leaders, such as our new Chief Technology Officer and our Chief Information Officer.
- **M&A Hires.** In connection with the Company’s successful execution of a number of acquisitions in 2020, the Company believed it was important to ensure appropriate equity retention was provided to attract and retain the acquired companies’ talent.
- **Mitigating Retention Risk.** The Company undertook a comprehensive review of the equity retention it had in place for its employees, and believed that a programmatic retention program was warranted to address key identified gaps. Accordingly, for 2020, the Company instituted a special retention pool to mitigate the risk of departure for a number of employees.

As a result of these critical business needs, the Committee approved a slight increase to the Company’s 2020 burn-rate, which resulted in an equity burn-rate in 2020 of 2.38% of CSO (excluding assumed awards).

For 2021, the Committee renewed its commitment to a burn-rate of 2.30% of CSO.

The following chart shows how we have managed our equity burn rate over the past five years.

Total Shares Granted (Burn Rate): 2016-2020⁽¹⁾



⁽¹⁾ Shares granted, as well as burn-rate, counts each RSU as one share and counts each performance share as one share based on the target number of shares issuable under the award. Shares granted and burn-rate relate to equity awards granted from Juniper's equity incentive plans and do not include assumed awards.

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Strong Executive Compensation Practices

The Committee takes seriously its duty to maintain a comprehensive governance framework that is aligned with market leading practice and standards. Therefore, the Committee has adopted a strong corporate governance framework for executive compensation that includes the components described below.

What We Do	
Pay-for-performance	A significant percentage of target direct compensation is performance-based and aligned with the Company's financial performance and stockholder return. Our annual and long-term plans provide a balance of incentives and include different measures of performance.
Annual "Say-on-Pay" advisory vote and Stockholder Outreach	We conduct an annual "Say-on-Pay" advisory vote and we maintain an active stockholder engagement program to foster strong relationships with our stockholders.
Stock ownership guidelines	We have established stock ownership guidelines for members of our Board and NEOs to align the interests of our leadership with those of our stockholders.
"Claw-back" policy	We adopted a "claw-back" policy under which all of our executive officers are required, in certain instances, to repay overpayments of incentive compensation awards.
"Double-trigger" change-in-control arrangements	An executive's cash severance rights will trigger and unvested equity awards will vest upon a change in control only if the executive also experiences a qualifying termination of employment.
Retain an independent compensation consultant	The Committee engaged an independent compensation consultant, Compensia, to provide analysis, advice and guidance on executive compensation matters.
Annual assessment of executive compensation	The Committee reviews an annual executive compensation assessment prepared by Compensia.
Avoid excessive risk taking	The Committee reviews an annual executive compensation program risk assessment conducted by Compensia.
What We Don't Do	
No stock option or stock appreciation right repricing	The Company's 2015 Equity Incentive Plan does not permit us to reprice or repurchase "underwater" stock options or stock appreciation rights without stockholder approval or to grant stock options or stock appreciation rights with an exercise price below fair market value.
No "Golden Parachute" tax gross-ups	The Company has no executive officer contracts providing for an excise tax gross-up following a change in control.
No hedging or pledging of Company stock and no use of margin accounts	The Company has adopted a policy that prohibits members of our Board and all employees, including Section 16 Officers, from pledging their Company stock or engaging in short sales of Company stock and other similar transactions that could be used to hedge the risk of Company stock ownership.
No "evergreen" or fixed-term employment agreements	We do not provide "evergreen" positions in any employment agreements with executive officers. Employment of our executive officers is "at will" and may be terminated by either the Company or the employee at any time.
No dividend equivalents on unvested equity awards	We do not and our stock plan does not permit us to pay dividends or dividend equivalents on unearned shares or units.
No excessive perks	We offer only certain limited benefits as required to remain competitive and to attract and retain highly talented executives.
No single trigger change-in-control or excessive severance benefits	We do not provide single trigger change-in-control benefits or severance cash payments exceeding 3x base salary and bonus.
No executive pension or SERPs	We do not provide for any executive pension plans or SERPs.

Section 2 — Setting Executive Compensation

Roles

The Company's executive compensation program is established and overseen by the Committee with support provided by its independent compensation consultant, Compensia, Inc. ("Compensia"), and management. Each of their roles is described below.

Role of the Compensation Committee

The Committee is comprised entirely of independent directors and has the responsibility of establishing compensation for our officers who are designated as reporting officers under Section 16 of the Exchange Act. The Committee has overall responsibility for establishing and evaluating executive officer compensation plans, policies, and programs, including the evaluation of the Chief Executive Officer. The Committee also has responsibility for reviewing the overall equity award practices of the Company. The Committee has the authority to receive appropriate funding from Juniper Networks for obtaining advice and assistance from outside legal counsel, compensation consultants, or other advisors, as the Committee deems necessary to carry out its duties. In addition, the Committee is free to replace its independent compensation consultants or retain additional advisors at any time.

The Committee independently decides the salary, incentive target and equity awards for the Chief Executive Officer with input from its independent compensation consultant. Based on the information presented from the independent compensation consultant, the Committee discusses the Chief Executive Officer's contribution and performance, Company performance, the competitive market, and the other factors discussed below, and independently makes compensation decisions in an executive session, without members of management present.

Role of the Independent Compensation Consultant

The Committee engaged Compensia to serve as its independent consultant for 2020. Compensia advised the Committee with respect to trends in executive compensation, review of market information, and assessment of compensation actions required under its charter. Based on the consideration of the various factors as set forth in the rules of the SEC and the NYSE, the Committee has determined that its relationship with Compensia is an independent compensation consultant under the rules of the NYSE and there are no conflicts of interest. In 2020, Compensia did not provide the Company with any other services and did not receive any compensation from us other than with respect to the services described above.

The Committee's compensation consultant attends most Committee meetings and provides its advice and guidance, as well as relevant market data on executive pay levels, practices and design, to the Committee. For additional details on the engagement and services provided by Compensia, please refer to the "*Compensation Consultant Disclosure*" section of this proxy statement.

Role of Management

Our CEO makes recommendations to the Committee regarding the salary, incentive target and equity awards for the executive officers other than himself. These recommendations are based on market-based analysis and guidance provided by its compensation consultant on behalf of the Committee and our CEO's assessment of individual specific factors, such as the individual's role and contribution to Company performance and the other factors discussed below. Our CEO is also assisted by the Company's Human Resources department in making these recommendations.

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Executive Compensation Philosophy

The Committee has established guiding principles with respect to our executive compensation program, as detailed below. The Committee believes that these guiding principles drive desirable behaviors, accountability, and alignment with stockholder interests.

Principle	Strategy
Enhance Accountability	Executive compensation linked to a clear set of business objectives
Manage to Balanced Results	Compensation strategy that drives balanced results between the following: <ul style="list-style-type: none"> • Short- and long-term objectives • Individual and team performance • Financial and non-financial objectives • Customer satisfaction and growth
Reward High Performance	Upside potential for superior performance with downside risk for under performance
Attract & Retain Talent	Market-competitive programs with flexibility to be aggressive for critical talent retention and acquisition
Align with Stockholder Interests	Programs that are transparent, easily understood and aligned with long-term stockholder interests
Encourage Health and Financial Well-Being	Market-competitive benefit programs that encourage wellness and financial savings

Based on the guiding principles, the Committee then reviews the various elements of compensation in order to develop our executive compensation program. The following table lists the elements of our 2020 executive compensation program and the primary purpose and performance measures associated with each element of the 2020 executive compensation program.

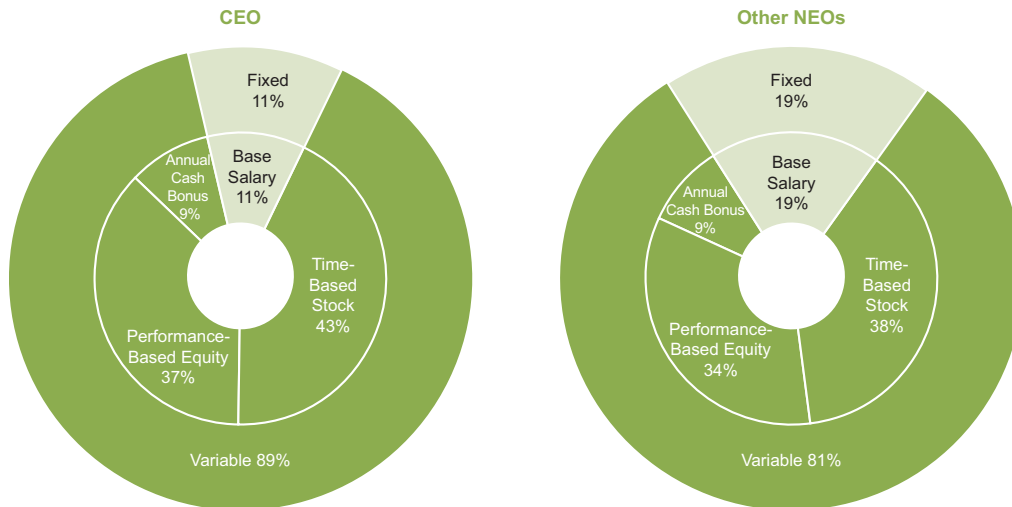
Fixed		Variable Short-Term		Variable Long-Term			Other
	Base Salary	Executive AIP Cash	Bonus PSU	Financial PSAs	RTSR PSAs	RSU	Benefits
Primary Purpose	Attract and retain		Retain	Attract and retain			Encourage wellness and financial savings
		Provide focus on annual financial and non-financial goals, motivate performance		Reward achievement of financial and strategic results that drive long-term stockholder value			
		Create ownership and align employee efforts with stockholder interests					
Performance Measures		<ul style="list-style-type: none">• Revenue• Non-GAAP EPS• Software Revenue• Strategic goals	<ul style="list-style-type: none">• Revenue	<ul style="list-style-type: none">• Revenue• Non-GAAP EPS• Software Revenue	<ul style="list-style-type: none">• Shareholder return over a sustained duration		
Total Performance/Vest Period	Ongoing	1-year	1-year	1-year performance in each of 3 years 3-year vest (cliff)	3-year performance & vest (cliff)	3-year (ratable)	Ongoing

Finally, the Committee continued its practice of setting compensation on an individual basis aligned with our guiding principles for executive compensation. Generally, in determining compensation for our NEOs, the Committee considers a number of factors, including, among other things, each executive's:

- individual performance,
- tenure,
- role, including complexity of responsibilities and scope,
- pre-existing compensation arrangements, including equity retention hold,
- internal comparisons and peer market data, and
- ability to impact business results.

The Committee believes this practice aligns executive officer compensation levels with stockholder interests while continuing to potentially reward executives for achieving financial and strategic results that drive stockholder value over the long-term, including rewarding above-target performance with above-target pay.

Our NEOs' pay mix emphasizes "at risk" pay opportunities, including performance-based compensation. In 2020, with respect to our CEO's annual target compensation package, "performance-based" compensation was awarded in the form of an annual cash bonus incentive and performance-based equity. Overall, our CEO's "variable" compensation in the form of an annual cash bonus incentive and equity awards comprised 89% of his target direct compensation.

2020 Target Pay Mix⁽¹⁾

⁽¹⁾ Reflects (i) salary disclosed in the "Summary Compensation Table", (ii) the target opportunity for non-equity incentive plan awards disclosed in the "Grants of Plan-Based Awards For Fiscal 2020" table, and (iii) the grant date fair value of all stock awards as disclosed in the "Grants of Plan-Based Awards For Fiscal 2020" table excluding the modified PSAs.

Competitive Compensation Data

The Committee reviews competitive compensation data to establish market reference points, including data from the Peer Group (as described below) and broader technology company data based on a custom Radford survey.

2020 Peer Group

The Committee utilizes a compensation peer group of publicly traded networking equipment and other high technology companies (the "Peer Group") to monitor and assess the market competitiveness of the compensation levels of our NEOs relative to similar positions in the Peer Group, and to review the compensation practices of similarly situated companies. In August 2019, the Committee, with input from its compensation consultant, established the Peer Group for use in 2020 compensation benchmarking. In deciding whether a company should be included in the Peer Group, the Committee generally considered the following screening criteria:

- Industry relevance;
- Revenue and historical revenue growth;
- Market value;
- Business model;
- Scope of operations; and
- Whether the Company is likely to compete with the company in the Peer Group for executive talent.

The Peer Group is regularly reviewed and assessed by the Committee with the assistance of its compensation consultant to take into account changes in both the Company and the companies in the Peer Group based on the selection criteria described above. For 2020, the Committee determined to remove Adobe, ARRIS International, and CA Technologies from the prior year Peer Group, and determined to add Akamai Technologies, Analog Devices, and Arista Networks. For compensation decisions made in 2020, the Peer Group consisted of the 14 companies set forth below.

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Company Name	
Akamai Technologies, Inc.	Intuit, Inc.
Analog Devices, Inc.	Motorola Solutions, Inc.
Arista Networks, Inc.	NetApp, Inc.
Autodesk, Inc.	Palo Alto Networks, Inc.
Ciena Corp.	Symantec Corp.
Citrix Systems, Inc.	VMware, Inc.
F5 Networks, Inc.	Xilinx, Inc.

Section 3 — Elements of Executive Compensation

Base Salary

The Committee reviews base salaries for the NEOs annually and adjusts salaries based on the scope and complexity of responsibilities, growth in experience and capabilities, contributions or responsibilities beyond the typical scope of the role, individual performance, internal comparisons, and market competitiveness as measured against our Peer Group and other competitors for similar executive talent.

Consistent with the criteria above, the Committee approved salary increases for the NEOs in February 2020, effective in July. However, the business outlook for the Company was negatively impacted by the Covid-19 pandemic. While the full impact of the pandemic on the Company's business was not known in the first half of 2020, the Company took steps to improve financial flexibility by lowering fixed and short-term expenses, which included substantially reducing the budget for annual salary increases for the employee population. To demonstrate leadership and alignment with the other employees, in May 2020, the NEOs volunteered to forego, and the Committee approved a rescission to, previously-approved salary increases for the NEOs. Accordingly, 2020 base salaries for the NEOs remained the same as their 2019 base salaries.

Executive	2019 Base Salary	2020 Base Salary	% Salary Increase
Rami Rahim	\$1,000,000	\$1,000,000	—%
Kenneth Miller	\$ 600,000	\$ 600,000	—%
Manoj Leelanivas	\$ 570,000	\$ 570,000	—%
Anand Athreya	\$ 500,000	\$ 500,000	—%
Brian Martin	\$ 525,000	\$ 525,000	—%

Executive Annual Incentive Plan

Our NEOs have the opportunity to receive annual incentives through our AIP. Consistent with the Committee's objective to link a significant portion of our NEOs' compensation to attainment of predetermined annual financial and strategic goals, the Committee established a target annual performance-based incentive opportunity for each NEO, expressed as a percentage of base salary. In setting the amount of the target incentive opportunity, the Committee, with input from its compensation consultant, takes into account competitive market data, the individual's role and contribution to performance, and internal comparisons. The actual payout may be higher or lower than this target incentive amount, based on Company and/or individual performance factors. In addition, the Committee retains the discretion to reduce each NEO's payout as determined by the Committee in its sole discretion.

For 2020, the target incentive opportunities (expressed as a percentage of actual base salary) for all NEOs remained consistent with 2019 levels. With respect to the 2020 AIP, a portion of each NEO's target opportunity under the AIP was awarded in performance shares ("Bonus PSUs") at the beginning of the AIP performance period, as discussed in

further detail below. The target incentive opportunities for our NEOs and potential payout ranges for 2020 are presented below (without giving effect to the Bonus PSUs).

Executive	2020 Actual Salary ⁽¹⁾	AIP Target as % of Salary ⁽²⁾	Potential Payout Range (of Target)
Rami Rahim	\$1,000,000	175%	0% – 200%
Kenneth Miller	\$ 600,000	100%	0% – 200%
Manoj Leelanivas	\$ 570,000	100%	0% – 200%
Anand Athreya	\$ 500,000	100%	0% – 200%
Brian Martin	\$ 525,000	100%	0% – 200%

⁽¹⁾ Reflects actual salaries earned in 2020.

⁽²⁾ A portion of the target incentive opportunity value was awarded in Bonus PSUs (as discussed below). The percentages disclosed in this column reflect the target incentive opportunity value as a percentage of base salary prior to adjusting for Bonus PSUs.

Performance Goals under the Executive Annual Incentive Plan

The actual amounts payable to individual NEOs under the 2020 AIP depended on the actual level of achievement measured against the pre-established objectives for the financial and strategic components. Our NEOs can earn anywhere between 0%-200% of their respective target AIP opportunities based on the Company's actual performance, less the portion of the 2020 AIP used to calculate Bonus PSUs.

Under the 2020 AIP, our NEOs could earn annual cash incentive payments based on the original targets illustrated below:

MILESTONES				Strategic (30% weight)	Result
Metric	Threshold	Target	Maximum		
Financial (70% weight)				Drive Smart Growth	7.5%
Software Revenue (14%)	11%	14%	17%	Win the Next Decade of Networking	7.5%
Non-GAAP EPS (28%)	\$1.50	\$1.79	\$2.08	Own It	7.5%
Corporate Revenue (28%)	\$4,095M	\$4,550M	\$5,000M	Deliver Fast and Lasting Customer Value	7.5%

For purposes of the 2020 AIP:

- The financial performance component, weighted at 70% of the AIP target payout, was comprised of corporate revenue, non-GAAP EPS, and software revenue targets. The Committee believes that each element of the financial performance component of the AIP helps to drive long-term stockholder value creation through revenue growth and prudent management of the Company's operating expenses. These targets were established in February 2020 prior to the onset of the COVID-19 pandemic and were based on the Company's financial plan for 2020 that was established by the Board prior to the pandemic. Following the onset of the pandemic, these targets and the financial plan were revised and approved by the Board in May 2020 to reflect the Company's new business outlook as detailed below.
- The strategic performance component, weighted at 30% of the AIP target payout, was focused on aligning compensation with delivering against our multi-year business strategy beyond near term financials. These included a focus on: (i) driving near-term growth momentum via market share gains and revenue diversity, (ii) building next generation technologies and products for long term market success, (iii) increasing customer value to drive overall customer success, and (iv) strengthening the Company's culture, including inclusion and diversity. The Committee believes that delivering to our corporate objectives beyond the in-year financial performance is critical for driving sustainable growth, operational excellence, and long-term value creation for our stockholders. The strategic goals were established at the same time as the financial goals. Each strategic metric is weighted equally.

Bonus PSUs Granted Pursuant to the Executive Annual Incentive Plan

In order to enhance long-term retention of our NEOs and further align the interests of our NEOs with our stockholders, the Committee (i) awarded approximately 50% of each NEO's target opportunity under the 2020 AIP in Bonus PSUs at the beginning of the AIP performance period and (ii) reduced the cash payable under the 2020 AIP for

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each NEO who was granted Bonus PSUs. Subject to the achievement of the applicable performance goal, the Bonus PSUs vest in March 2021. In addition, because the final value earned under the Bonus PSUs is directly tied to our stock price, the Committee believes the Bonus PSUs further align our NEOs to the interests of our stockholders. In 2020, the Committee eliminated the 1.5 multiplier to the number of Bonus PSUs awarded, and decreased the vesting period for the Bonus PSUs from two years to one year.

The Bonus PSUs vest only if the threshold corporate revenue goal under the 2020 AIP, as described above, is achieved. Subject to achievement of the performance criteria and each individual's continued service at the Company, the Bonus PSUs vest in March 2021. The Company's revenue for 2020 exceeded the threshold corporate revenue goal, and as a result, the Bonus PSUs were earned.

Our NEOs received the following Bonus PSUs with respect to the 2020 performance period:

Executive	Portion of 2020 AIP Used to Calculate Bonus PSUs ⁽¹⁾	Bonus PSUs Granted and Earned ⁽²⁾
Rami Rahim Chief Executive Officer	\$875,000	35,339
Kenneth Miller EVP, Chief Financial Officer	\$305,250	12,328
Manoj Leelanivas EVP, Chief Product Officer	\$290,000	11,712
Anand Athreya EVP, Chief Development Officer	\$254,500	10,274
Brian Martin SVP, General Counsel	\$267,000	10,787

⁽¹⁾ Reflects the target annual incentive opportunity value for the Bonus PSUs.

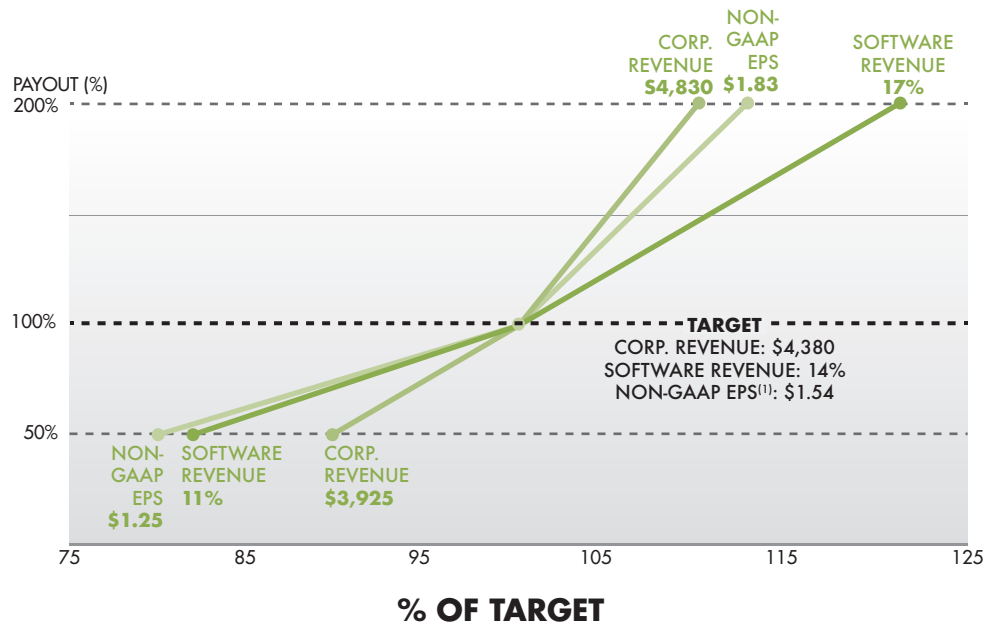
⁽²⁾ The Bonus PSUs fully vested in March 2021, subject to continued employment and the attainment of the performance goal.

2020 AIP Compensation Decisions

Upon completion of the performance period for 2020, the Committee reviewed Company performance across the predetermined financial and strategic performance goals to determine the amounts to be paid to the NEOs. In determining the payout of the financial component, the Compensation Committee considered that the AIP financial goals were based on the Company's financial plan for 2020 that was established prior to the pandemic, and that such financial plan was subsequently revised in May 2020 to reflect the impact of COVID-19. Further, the Committee considered the incremental payout that our NEOs would receive under the AIP had the total revenue and non-GAAP EPS goals been based on our revised financial plan. The Committee also noted that despite the challenges presented by the COVID-19 pandemic, our executive team contributed to the revenue growth of our Enterprise business for a fourth consecutive year as well as the revenue growth of our Cloud business for a second consecutive year, and we ended 2020 with two consecutive quarters of year-over-year revenue growth. In light of these considerations, the Committee determined to apply the total revenue and non-GAAP EPS targets of our revised financial plan for 2020 to determine the payout of the financial component. The goal associated with software revenue as a percentage of total revenue remained unchanged in the Company's revised financial plan. Financial goals and revised goals are shown below:

Metric	ORIGINAL MILESTONES			REVISED MILESTONES		
	Threshold	Target	Maximum	Threshold	Target	Maximum
Software Revenue	11%	14%	17%	11%	14%	17%
Non-GAAP EPS	\$1.50	\$1.79	\$2.08	\$1.25	\$1.54	\$1.83
Corporate Revenue	\$4,095M	\$4,550M	\$5,000M	\$3,925M	\$4,380M	\$4,830M
FINANCIAL PSA PAYOUT						

The revised Financial goals are graphically represented below:



⁽¹⁾ The components of non-GAAP EPS, along with a reconciliation to EPS, for fiscal year 2020 is provided in our press release furnished with the SEC on January 28, 2021, which reports our preliminary fiscal year 2020 financial results.

Under the 2020 AIP, our NEOs could earn annual cash incentive payments based on the revised targets and formula illustrated below:

FINANCIAL PERFORMANCE TARGETS
(70% Weight)

Corporate Revenue		+	Non-GAAP EPS**		+	Software Revenue	
	Revenue Attainment (\$ millions)						
Threshold	\$3,925		Non-GAAP EPS (\$/share)	Threshold \$1.25		Threshold	11%
Target	\$4,380			Target \$1.54		Target	14%
Max	\$4,830			Max \$1.83		Max	17%
X 28%			X 28%			X 14%	

PLUS

STRATEGIC PERFORMANCE TARGETS
(30% Weight)

Goals	Weighting
Drive Smart Growth	7.5%
Win the Next Decade of Networking	7.5%
Own It	7.5%
Deliver First and Lasting Customer Value	7.5%

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Performance results for 2020 are summarized below.

MILESTONES						Strategic (30% weight)	Result
Metric	Threshold	Target	Maximum	Performance	Result		
Financial (70% weight)						Drive Smart Growth (7.5%)	91%
Software Revenue (14%)	11%	14%	17%	10%	0%	Win the Next Decade of Networking (7.5%)	140%
Non-GAAP EPS (28%)	\$1.25	\$1.54	\$1.83	\$1.56	107%	Own It (7.5%)	67%
Corporate Revenue (28%)	\$3,925M	\$4,380M	\$4,830M	\$4,445M	114%	Deliver Fast and Lasting Customer Value (7.5%)	124%
FINANCIAL RESULT						STRATEGIC RESULT	105%
EXECUTIVE AIP PAYOUT FUNDING							93%

* The components of non-GAAP EPS, along with a reconciliation to EPS, for fiscal year 2020 is provided in our press release furnished with the SEC on January 28, 2021, which reports our preliminary fiscal year 2020 financial results.

The table below summarizes 2020 AIP cash payouts for the NEOs.

Executive	Target 2020 AIP Value	2020 AIP Funding	Deduction for Bonus PSUs	Target AIP Cash Payout ⁽¹⁾
Rami Rahim	\$1,750,000	\$1,627,500	\$875,000	\$752,500
Kenneth Miller	\$ 600,000	\$ 558,000	\$305,250	\$252,750
Manoj Leelanivas	\$ 570,000	\$ 530,100	\$290,000	\$240,100
Anand Athreya	\$ 500,000	\$ 465,000	\$254,500	\$210,500
Brian Martin	\$ 525,000	\$ 488,250	\$267,000	\$221,250

⁽¹⁾ The amounts reflected in the "Target AIP Cash Payout" column are reflected under the "Bonus" and "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table".

Long-Term Equity Incentive Compensation

The Company and the Committee remain focused on aligning the Company's long-term equity compensation program with stockholder interests. The Committee granted the following types of awards:

- PSAs with financial performance goals;
- RTSR PSAs; and
- Service-vested RSUs.

The Committee, in consultation with its compensation consultant, believes this equity mix aligns with the practices of the Peer Group. Further, the Committee believes that this equity mix continues to align NEO compensation directly with the interests of our stockholders by motivating ongoing stock price appreciation, total shareholder return, and a focus on key top- and bottom-line financial metrics.

In determining the amount of long-term equity incentives to award our NEOs, the Committee reviewed grant values provided to comparable executives of companies in the Peer Group and the survey data, and considered the executive's respective role, individual performance, and existing unvested equity retention hold.

Executive	Financial PSAs ⁽¹⁾	RTSR PSAs ⁽¹⁾	Service-Vested RSUs
Rami Rahim	105,420	70,280	175,700
Kenneth Miller	33,900	22,600	56,500
Manoj Leelanivas	31,500	21,000	52,500
Anand Athreya	30,300	20,200	50,500
Brian Martin	24,240	16,160	40,400

⁽¹⁾ Number of Financial PSAs and RTSR PSAs reflect achievement at target. The actual amount of shares that can be earned range from 0-200% based on performance.

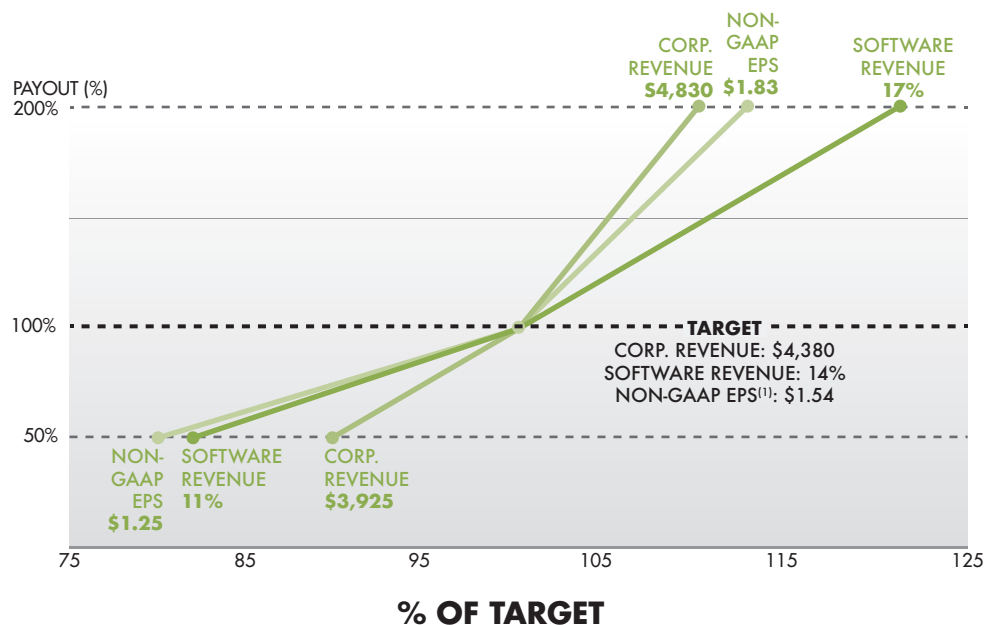
For 2020, the Committee awarded 30% of our NEO's 2020 long-term equity incentives, which does not include Bonus PSUs, in the form of PSAs with financial performance goals, 20% in the form of RTSR PSAs, and 50% in the form of service-vested RSUs. The Committee, in consultation with its compensation consultant, believes that the mix of PSAs and RSUs for our NEOs provides an appropriate balance between performance-based and time-based equity incentives, as it should motivate our NEOs to contribute to the Company's long-term success and stock price appreciation while also encouraging retention.

Financial Performance Share Awards

Our ability to successfully offer our products and services in a rapidly evolving market requires us to effectively scale and adjust our business to fluctuating market opportunities and conditions on an annual basis, while also remaining focused on long-term success and retention. In this regard, the Committee believes that, by using three concurrent one-year tranches that cliff-vest over a three-year period, the Committee can best align the financial objectives for our NEOs with accountability for both long-term stockholder value creation and the business plans and goals approved by our Board.

One-third of the total target PSAs are subject to annual performance targets established by the Committee and the amount of PSAs "banked" for a particular year is based on the achievement of annual performance targets established for that year. With respect to each year's performance, participants can "bank" between 0% and 200% of the target number of PSAs for that year (i.e., one-third of the total PSAs awarded to a participant) based on the level of achievement against the performance targets for that year. Vesting for the "banked" shares under PSAs occurs only after the Committee certifies the level of achievement for the third tranche, and any "banked" but unvested shares under PSAs are forfeited if the participant leaves the Company before the vest date.

Given the significant strategic importance to focus on top-line growth in a sustained and reasonable manner in the current market, the Committee determined that a significant focus on corporate revenue, non-GAAP EPS, and software revenue was appropriate. Accordingly, the Committee, in consultation with its compensation consultant, approved the use of financial performance goals for the 2020 performance period under the PSAs. The performance targets are illustrated below.



⁽¹⁾ The components of non-GAAP EPS, along with a reconciliation to EPS, for fiscal year 2020 is provided in our press release furnished with the SEC on January 28, 2021, which reports our preliminary fiscal year 2020 financial results.

For 2020, the Committee set target performance goals for the PSAs at levels which it believed at the time to be challenging but achievable and set maximum performance goals at a level which it believed to be very difficult to achieve. These targets were established in February 2020 prior to the onset of the COVID-19 pandemic and were based on the Company's financial plan for 2020 that was established prior to the pandemic. Following the onset of the pandemic, these targets and the financial plan were revised to reflect the Company's new business outlook.

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Determination of Payout of 2020 PSA Financial Goals

Prior to the completion of the performance period for 2020, the Committee reviewed Company performance across the original financial performance goals as well as against the Company's financial plan which was revised in May 2020 to reflect the impact of COVID-19. After considering the same factors described above in 2020 AIP Compensation Decisions, the Committee determined to adjust the performance goals to align with the Company's revised financial plan. The revised financial performance goals, performance results, and payouts are calculated below:

Metric	MILESTONES			Results	Payout
	Threshold	Target	Maximum		
Financial					
Software Revenue (20%)	11%	14%	17%	10%	0%
Non-GAAP EPS (40%)	\$1.25	\$1.54	\$1.83	\$1.56	107%
Corporate Revenue (40%)	\$3,925M	\$4,380M	\$4,830M	\$4,445M	114%
FINANCIAL PSA PAYOUT					89%

* No payout for each financial component if achievement is less than the threshold amount. The actual payout percentage scales linearly between threshold and target and between target and maximum.

** The components of non-GAAP EPS, along with a reconciliation to EPS, for fiscal year 2020 is provided in our press release furnished with the SEC on January 28, 2021, which reports our preliminary fiscal year 2020 financial results.

Shares Earned for 2020 Financial PSA Goal Achievement

Executive	Award Year	2020 Financial PSA Target ⁽¹⁾	2020 Performance Achievement (% of Target)	2020 Total Financial PSAs Banked	2020 Financial PSAs to Vest in 2021 ⁽²⁾
Rami Rahim Chief Executive Officer	2020	35,140	89%	31,275	—
	2019	31,250	89%	27,812	—
	2018	38,745	89%	34,483	64,704
	Total	105,135	89%	93,570	64,704
Kenneth Miller Executive Vice President, Chief Financial Officer	2020	11,300	89%	10,056	0
	2019	8,280	89%	7,369	0
	2018	10,667	89%	9,493	17,813
	Total	30,247	89%	26,918	17,813
Manoj Leelanivas Executive Vice President, Chief Product Officer	2020	10,500	89%	9,344	0
	2019	8,280	89%	7,369	0
	2018	—	—	—	—
	Total	18,780	89%	16,713	—
Anand Athreya Executive Vice President, Chief Development Officer	2020	10,100	89%	8,988	0
	2019	8,280	89%	7,369	0
	2018	11,333	—	10,086	18,926
	Total	29,713	89%	26,443	18,926
Brian Martin Senior Vice President, General Counsel	2020	8,080	89%	7,191	0
	2019	6,980	89%	6,212	0
	2018	9,333	89%	8,306	15,586
	Total	24,393	89%	21,709	15,586

⁽¹⁾ The number of shares that can be earned based on achievement of the Company's financial goals range from 0%-200% of target.

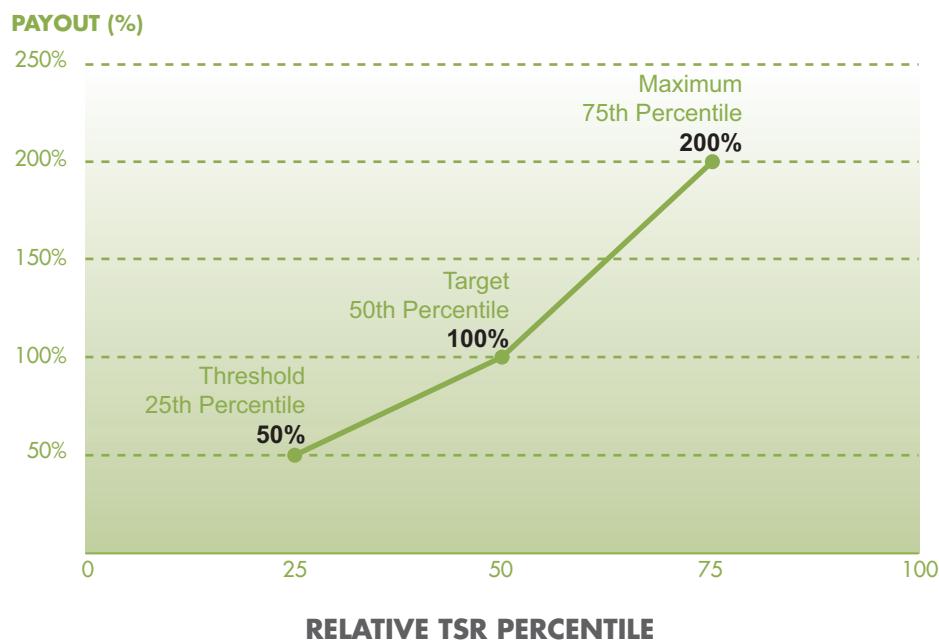
⁽²⁾ PSAs vested include shares "banked" for the following years: 2020, 2019, and 2018. Shares will vest only to the extent the recipient of the PSA remains employed with the Company through the applicable vesting date in the first quarter of 2021.

Relative Total Shareholder Return Performance Share Awards

To further align our NEOs' compensation with our stockholders, approximately 20% of the 2020 target long-term incentive opportunity was awarded to our NEOs in the form of RTSR PSAs. The Committee believes that the RTSR PSAs promote stockholder alignment and create an unambiguous link between compensation of our NEOs to long-term value creation since the payout of the RTSR PSAs is directly linked to the Company's long-term total shareholder appreciation relative to the S&P 500 Index over a three year period. The RTSR PSAs cliff-vest upon the conclusion of a three-year performance period.

The Committee, based on input from its compensation consultant, concluded that use of the S&P 500 Index was an appropriate benchmark given the broad-based nature of the index, the inclusion of Juniper Networks in the S&P 500 Index, and because the S&P 500 Index represents a robust, broad representation of the potential opportunity cost of investing in the Company from an investor's perspective.

The following graphic illustrates the payout for the RTSR PSAs. Participants can earn between 0% and 200% of the target number of RTSR PSAs. In the event that the Company's relative TSR over the three-year performance period is less than the 25th percentile of the S&P 500 Index, no RTSR PSAs will be earned or vest.



2018 RTSR PSAs Compensation Decision

The 2018 RTSR PSAs grant cycle concluded on December 31, 2020. As the Company performed below the threshold level, the 2018 RTSR PSAs did not vest and were forfeited unearned. The 2019 and 2020 RTSR PSA cycles are ongoing and the NEOs have the opportunity to earn a payout on these grant cycles when they conclude on December 31, 2021 and December 31, 2022, respectively.

Restricted Stock Units

The Committee grants RSU awards for retention purposes as they provide payout opportunity to the NEOs only if they remain employed through the applicable vesting dates. The payout opportunity is directly linked with stockholder value and executive efforts over a multi-year time frame. Subject to continued service to the Company through the applicable vesting date, RSUs vest 34% on the first anniversary of the grant date and an additional 33% on each of the second and third anniversaries of the grant date.

In determining the number of RSU awards for NEOs, the Committee considered the realized value of incentive awards granted in the last few years and the retentive value of their outstanding equity awards. As AIP awards were earned and PSAs banked in 2019, the Committee elected to limit the number of RSUs granted to all NEOs in 2020 to approximately 50% of their target equity with the remainder being granted in the form of PSAs as they believed that

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this mix both provided sufficient retentive value and would provide further incentives for driving long-term performance and stockholder value creation.

2020 Target Direct Compensation compared to Summary Compensation Table

Using our CEO as an example, the following table reconciles 2020 target direct compensation (“TDC”) with the compensation disclosed for 2020 in the Summary Compensation Table. This table provides supplemental disclosure and should not be viewed as a substitute for the Summary Compensation Table.

2020 CEO TDC compared to Summary Compensation Table Disclosure

	2020 Target Direct Compensation	2020 Summary Compensation Table Disclosure ⁽¹⁾	Comments
Compensation Element Base Salary	\$ 1,000,000	\$1,000,000	In connection with reducing annual salary budgets for the employee population, all NEO salary increases for 2020 were rescinded to demonstrate leadership and alignment with the other employees
Annual Incentive	\$ 875,000	\$ 402,500	Below-target earned annual incentive disclosed in the Non-Equity Incentive Plan Compensation Column based on the original 2020 financial plan goals.
	\$ 875,000	\$ 817,744	Grant date fair value of 2020 Bonus PSUs disclosed in the “Stock Awards” column of the Summary Compensation Table for 2020.
Bonus	N/A	\$ 350,000	Reflects the additional amount earned under the annual incentive plan based on the revised 2020 financial plan.
Long-Term Incentive	\$ 8,700,000	\$6,577,154	Grant date fair value of portion of 2020 PSA that vests based on 2020 performance goals and the rTSR and RSU grant disclosed in the “Stock Awards” column of the Summary Compensation Table for 2020. 30% of target grant value of 2020 equity awards is in the form of PSAs with annual performance goals over 2020, 2021 and 2022 and 20% is in the form of rTSR PSAs.
Total Compensation	\$11,450,000	\$9,147,398	
2018 and 2019 Equity Awards	N/A	\$1,600,937	Disclosed in the “Stock Awards” column of the Summary Compensation Table for 2020. Value disclosed does not reflect a new equity grant but reflects the required disclosure associated with the portion of the value of the PSAs awarded in 2018 and 2019 based on the annual financial metric goals established for those awards for 2020.
Modified Equity Awards	N/A	\$ 662,560	Disclosed in the “Stock Awards” column of the 2020 Summary Compensation Table. Value disclosed does not reflect a new equity award but rather reflects the incremental fair value associated with the modification of the portion of the 2018, 2019 and 2020 PSA performance goals established for those awards for 2020 to reflect the Company's revised 2020 financial plan.

⁽¹⁾ Does not include \$9,756 of “All Other Compensation” disclosed in the Summary Compensation Table for 2020.



Section 4 — Other Compensation Policies and Information

Benefits and Perquisites

Because the Committee's philosophy is to emphasize pay-for-performance, the Company provides only very limited benefits and perquisites to our NEOs. The NEOs are provided the same health and welfare benefits and on the same basis that are generally available to employees broadly. In addition, NEOs are eligible to participate in the Deferred Compensation Plan and Executive Wellness Program described below. The Committee believes that the benefits programs are reasonable and consistent with its overall compensation program to better enable the Company to attract and retain talent.

Deferred Compensation Plan

The Company implements a deferred compensation plan for U.S. employees and intended for senior management. All NEOs are eligible to participate in the deferred compensation plan. The Company implemented this plan in order to offer benefits that are competitive with companies with which we compete for talent. We believe that this is a standard benefit plan also offered by many companies within our Peer Group. This plan allows participants to elect to defer a certain amount of compensation and related taxation on such amounts into one or more investment choices.

Participants are not taxed on the compensation deferred into these investments until distribution of invested funds to the participant at a future date, which may be upon termination of employment with the Company or a designated "in-service" date elected by the participant. The deferred compensation plan is intended to comply with Section 409A of the Code. In 2020, Messrs. Athreya and Martin participated in this plan.

Executive Wellness Program

The Company implements an Executive Wellness Program pursuant to which eligible executives receive additional benefits focused on health care screening and wellness. The maximum value of this benefit is limited to \$10,000 per year for each eligible executive.

The Committee believes that promoting the health and wellness of its executives may result in a number of benefits to the Company, including increased productivity, lower absentee rate and increased organizational stability, among others.

Severance Benefits

In addition to compensation designed to reward employees for service and performance, the Committee, in consultation with our compensation consultant, approved severance and change of control benefits for certain employees, including the NEOs, as described further below. Our severance and change of control arrangements are designed to be generally consistent with the pay practices of our Peer Group. The Committee, with input from its compensation consultant, annually reviews the terms and conditions of our severance and change of control arrangements for our executive officers and will make adjustments when and to the extent it deems appropriate.

Basic Severance

In order to recruit executives to the Company and encourage retention of employees, the Committee believes it is appropriate and necessary to provide assurance of certain severance payments if the Company terminates the individual's employment without "cause" or if the individual terminates their employment for "good reason," each as described in their respective agreements. The Committee approved severance benefits for several members of senior management, including the NEOs. Under severance agreements with Messrs. Rahim, Miller, Athreya, Leelanivas and Martin, in the event the employee is terminated involuntarily by Juniper Networks without cause or the employee resigns for good reason, and, in either case, provided the employee executes a full release of claims, the employee will be entitled to receive the following severance benefits:

- an amount equal to 12 months of base salary, or 16.5 months of base salary with respect to Mr. Rahim, in each case as in effect immediately prior to the termination;

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- in lieu of continuation of benefits (whether or not the individual elects COBRA), an amount equal to 12 times the monthly premium cost for coverage under COBRA based on the employee's benefit plan elections in place as of the date of termination; and
- (a) if such employee terminates after the end of a performance period for an annual bonus, but prior to the date of payment, an amount equal to the annual bonus based on actual performance for the performance period and (b) if such employee terminates during a performance period for an annual bonus after the performance metrics have been established, a pro-rated annual bonus for such fiscal year equal to the annual bonus the employee would have received based on actual performance for such fiscal year if the employee had remained employed for the entire fiscal year but pro-rated based on the number of days employed in such year.

All current severance agreements with our NEOs will expire per their term in January 2024.

The following table describes the potential payments that would have been provided to each of the NEOs in the event that such NEO was involuntarily terminated by Juniper Networks without cause or resigns for good reason outside of a change of control context on December 31, 2020.

Potential Severance Payments Upon Termination

Executive	Base Salary Component	Incentive Component ⁽¹⁾	Value of Accelerated Equity Awards	Value of Benefits	Total
Rami Rahim	\$1,375,000	\$402,500	N/A	\$32,732	\$1,810,232
Kenneth Miller	\$ 600,000	\$132,750	N/A	\$32,732	\$ 765,482
Manoj Leelanivas	\$ 570,000	\$126,100	N/A	\$32,732	\$ 728,832
Anand Athreya	\$ 500,000	\$110,500	N/A	\$32,732	\$ 643,232
Brian Martin	\$ 525,000	\$116,250	N/A	\$27,334	\$ 668,584

⁽¹⁾ The amount of the annual bonus for fiscal 2020 was determined by the Committee in 2021 following the completion of the performance period, and reflects the actual non-equity incentive compensation that such NEOs received with respect to fiscal 2020.

Change of Control Severance

The Committee considers maintaining a stable and effective management team to be essential to protecting and enhancing the best interests of the Company and its stockholders. To that end, the Committee recognizes that the possibility of a change of control may exist from time to time, and that this possibility, and the uncertainty and questions it may raise among management, may result in the departure or distraction of management to the detriment of the Company and its stockholders. Accordingly, the Committee decided to take appropriate steps to encourage the continued attention, dedication and continuity of members of the Company's management to their assigned duties without the distraction that may arise from the possibility of a change of control. As a result, following consultation with the Committee's compensation consultant, the Committee approved certain severance benefits for each of our NEOs, as well as for several members of senior management, in the event of certain employment terminations following a change of control. In approving these benefits the Committee, with input from its compensation consultant, considered a number of factors, including the prevalence of similar benefits adopted by other publicly traded companies.

All current change of control agreements with our NEOs will expire per their terms on the later of (i) January 2024 or (ii) the date when all of the obligations under the change of control agreement have been satisfied if the applicable NEO's termination occurred following a change of control and prior to January 2024. The Committee takes into account an executive's current role and the impact of a transaction on the role before renewing the agreements.

Provided the executive signs a release of claims and complies with certain post termination non-solicitation and non-competition obligations, all NEOs will receive change of control severance benefits if within 12-months following a change of control the executive is terminated without cause or the executive terminates his or her employment with the Company (or any parent or subsidiary of the Company) for good reason (both cause and good reason are defined in the agreement). These change of control severance benefits consist of:

- a cash payment equal to 150% (or 200% in the case of Mr. Rahim) of the executive's annual base salary and target bonus for the fiscal year in which the change of control or the executive's termination occurs, whichever is greater,

- acceleration of vesting of all of the executive's then unvested outstanding stock options, stock appreciation rights, performance shares, RSUs and other Company equity compensation awards that vest based on time, and with respect to equity compensation awards that vest wholly or in part based on factors other than time, such as performance (whether individual or based on external measures such as Company performance, market share, stock price, or otherwise): (i) any portion for which the measurement or performance period or performance measures will have been completed as of the date of the qualifying termination (as provided for in the applicable award agreement) shall immediately vest, if at all, based on actual performance and, if applicable, become exercisable (and any rights of repurchase by the Company or restriction on sale shall lapse), and (ii) the remaining portions shall immediately vest and, if applicable, become exercisable (and any rights of repurchase by the Company or restriction on sale shall lapse), in an amount equal to the number that would be calculated if the performance measures were achieved at the target level (provided that if there is no "target" level, then such amount shall equal 100% of the equity compensation awards that could vest with respect to that measurement period); and
- in lieu of continuation of benefits (whether or not the individual elects COBRA), an amount equal to 12 times the monthly premium cost for coverage under COBRA based on the employee's benefit plan elections in place as of the date of termination.

Under the terms of our 2015 Equity Incentive Plan, in the event of certain corporate transactions, if the equity awards are not assumed or substituted by the successor entity involved in the corporate transaction, each NEO's equity awards will fully vest and terminate upon the consummation of the transaction. The potential value of the accelerated equity awards for each NEO in the event of such a corporate transaction in which the NEOs' equity awards are not assumed or substituted is described in "Value of Accelerated Equity Awards" column in the table below. In addition, our NEOs PSA award agreements provide that in the event that such equity awards are assumed or substituted, they will convert into time-based awards, which will settle on the normal vesting date. Such PSA award agreements also provide that irrespective of whether such awards are assumed or substituted, any portion for which the measurement or performance period or performance measures will have been completed as of the date of the qualifying termination shall vest, if at all, based on actual performance, and the performance period of PSAs that vest based on TSR shall be shortened to the date of the change in control. The value of such assumed or substituted PSAs, along with the value of assumed or substituted RSU awards, is described in footnote 2 in the table below, which assumes that such assumption or substitution occurred on December 31, 2020.

Potential Change of Control Payments

The following table describes the potential payments that would have been provided for each of the NEOs upon termination of employment in connection with a change of control of Juniper Networks, as described above, assuming such termination and change of control both occurred on December 31, 2020.


Name ⁽¹⁾	Base Salary Severance Component	Incentive Compensation Severance Component	Benefits Severance Component	Value of Accelerated Equity Awards ⁽²⁾	Total
Rami Rahim	\$2,000,000	\$3,500,000	\$32,732	\$21,209,239	\$26,741,971
Kenneth Miller	\$ 900,000	\$ 900,000	\$32,732	\$ 6,620,771	\$ 8,453,503
Manoj Leelanivas	\$ 855,000	\$ 855,000	\$32,732	\$ 4,517,766	\$ 6,260,498
Anand Athreya	\$ 750,000	\$ 750,000	\$32,732	\$ 5,597,326	\$ 7,130,058
Brian Martin	\$ 787,500	\$ 787,500	\$27,334	\$ 5,101,903	\$ 6,704,237

⁽¹⁾ All NEOs are subject to a better-after-tax provision whereby Juniper Networks would either pay the NEO (i) the full amount of the NEO's severance benefits or, alternatively (ii) an amount of certain severance benefits otherwise payable to the NEO such that the severance benefits will not be subject to the tax imposed by Section 4999 of the Code, whichever produces the better after-tax result for the NEO. The amounts above do not reflect the impact of the better-after-tax provision.

⁽²⁾ The value of accelerated unvested equity awards are based on a per share price of \$22.51, which was the closing price as reported on December 31, 2020. With respect to the value shown in the column "Value of Accelerated Equity Awards", (a) for PSAs (or portions thereof) that are earned based on the achievement of annual financial performance during a three-year performance period, the equity value is calculated based on the sum of (i) earned, but unvested shares and (ii) target unearned and unvested shares, (b) for price vested RSUs, the equity value reflects target achievement of such awards, and (c) for PSAs (or portions thereof) that are earned based on the Company's TSR relative to the S&P 500 Index, the equity value reflects target achievement of such awards.

In the event that the equity awards for the NEOs were assumed or substituted by the successor entity to the Company and there is no qualifying termination of employment, the estimated value of the equity awards for the NEOs, assuming such transaction occurred on December 31, 2020, would be: \$15,668,966 (Mr. Rahim), \$5,049,393 (Mr. Miller), \$3,918,100 (Mr. Leelanivas), \$4,572,356 (Mr. Athreya) and \$3,889,357 (Mr. Martin). With respect to such

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values, (a) for PSAs (or portions thereof) that are earned based on the achievement of annual financial performance during a three-year performance period, the equity value is calculated based on the sum of (i) earned, but unvested shares and (ii) target unearned and unvested shares, (b) for price vested RSUs, the equity value is only included if \$22.51 is equal to or exceeds the average stock price value at which such award would vest pursuant to its terms, and (c) for PSAs (or portions thereof) that are earned based on the Company's TSR relative to the S&P 500 Index, the equity value is calculated based on relative TSR attainment as of December 31, 2020.

Equity Award Granting Policy

The Board has approved a policy for granting RSUs and other equity awards. All approvals of RSU grants and other equity awards are administered by the Board, the Compensation Committee or the Stock Committee (which is comprised of our CEO and Chief Financial Officer). Pursuant to the policy, new hire and ad hoc promotional and adjustment grants to non-Section 16 officers are generally granted on the third Friday of each month, except as discussed below. Annual performance grants to non-Section 16 officers are generally approved by the Stock Committee in the manner and at the times described above. Grants in connection with acquisitions shall, unless a date is specified in the acquisition agreement, occur to the extent practical on a date on which equity awards to Company employees are made by the Stock Committee. Annual equity awards to Section 16 officers are generally scheduled to be approved at a meeting of the Committee in the first quarter after the fourth fiscal quarter earnings announcement. The annual grants to Section 16 officers are also generally scheduled to be effective on the third Friday of the month if the meeting approving such grants occurs on or before such date. The exercise price of stock options granted will be the closing market price on the date of grant. The Company intends to grant RSUs and other equity awards in accordance with the foregoing policy without regard to the timing of the release of material non-public information, such as a positive or negative earnings announcement.

Notwithstanding the foregoing, (i) if the Company is advised by outside counsel that the granting of equity awards on a particular date or to particular recipients, or prior to the disclosure of certain non-public information, could reasonably be deemed to be a violation of applicable laws or regulations, such grants may be delayed until such time as the granting of those awards would be not reasonably expected to constitute a violation, (ii) if the making of a grant would cause the Company to exceed any granting limitation imposed by the Board or the Committee (such as an annual limit), the monthly grant shall be delayed until the first subsequent month in which the limitation would not be exceeded, and (iii) if the making of a grant would cause the Company to violate the terms of any agreement approved by the Board or one of its committees, such grant shall be delayed until it would not violate such agreement.

Equity Ownership Guidelines

The Company has adopted stock ownership guidelines to further align the interests of the Company's NEOs, certain former NEOs and non-employee directors with the interests of its stockholders and promote the Company's commitment to sound corporate governance. Please see the "*Executive Officer and Director Stock Ownership Guidelines*" section of this proxy statement for more information.

Insider Trading Policy

The Company's Insider Trading Policy applies to all employees and directors and prohibits the following transactions:

- *Short Sales.* Engaging in a "short sale" of the Company's securities.
- *Hedging Transactions.* Purchasing financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds) or otherwise engaging in transactions that are designed to or have the effect of hedging, offsetting or benefiting from any decrease in the market value of the Company's securities.
- *Margin Accounts and Pledges.* Borrowing against the Company's securities held in a margin account, or pledging the Company's securities as collateral for a loan, due to the fact that securities held in a margin account or securities pledged as collateral may be sold by the broker or lender without the customer's consent if the customer fails to meet a margin call or defaults on the loan, respectively.

The Company's Insider Trading Policy also prohibits any transactions in the Company's securities while in possession of material, non-public information.

No 280G Excise Tax Gross Ups

The Company has no executive officer contracts providing for excise tax gross ups.

Repayment of Certain Bonus and Incentive Payments

The Board has adopted a recoupment policy requiring the Company to seek repayment of certain incentive-based compensation, including both cash and equity compensation, from our executive officers, including our NEOs, in the event the Company is required to prepare an accounting restatement on an annual financial statement included in an Annual Report on Form 10-K due to the material noncompliance of the Company with any financial reporting requirements. In such event, if the Committee determines that (i) the amount of any incentive-based compensation that is earned, vested or received by an executive officer exceeds the amount of incentive-based compensation that would have been earned, vested or received by such executive officer had such incentive-based compensation been determined based on the restated financial results (the “erroneously awarded compensation”), and (ii) such executive officer engaged in fraud, intentional misconduct or intentional illegal conduct which, or such executive officer’s gross negligence, materially contributed to the need for such an accounting restatement, then the Committee will seek to recover for the benefit of the Company the erroneously awarded compensation.

Notwithstanding the foregoing, the Committee will seek recovery only for erroneously awarded compensation earned, vested or received by an executive officer during the fiscal year in which the Company is required to prepare an accounting restatement and the three completed fiscal years (or any transition period that results from a change in the fiscal year of the Company within or immediately following such three completed fiscal years) preceding the date or dates that the Company is required to prepare an accounting restatement. The Committee may also, in its good faith judgment, determine not to seek recovery of any erroneously awarded compensation to the extent the Committee determines that (i) to do so would be unreasonable or (ii) it would be better for the Company not to do so.

The Impact of Favorable Accounting and Tax Treatment on Compensation Program Design

Section 162(m) of Code places a limit of \$1 million on the amount of compensation that we may deduct as a business expense in any year with respect to certain of our most highly paid executive officers. While the Committee considers the deductibility of compensation as one factor in determining executive compensation, the Committee retains the discretion to award compensation that is not deductible as it believes that it is in the best interests of our stockholders to maintain flexibility in our approach to executive compensation in order to structure a program that we consider to be the most effective in attracting, motivating and retaining key executives.

Accounting considerations also play a role in the design of our executive compensation program. Accounting rules require us to expense the grant date fair values of our equity awards (that is, the value of our equity awards based on U.S. GAAP), which reduces the amount of our reported profits under U.S. GAAP. Because of this stock-based expensing and the impact of dilution to our stockholders, we closely monitor the number, share amounts and the fair values of the equity awards that are granted each year.

The Company intends for all executive officer arrangements to be structured in a manner that does not result in any additional taxation under Section 409A of the Code; however, the Company cannot guarantee this result.

Compensation Risk Assessment

The Committee annually oversees the performance of a risk assessment of our compensation programs. In connection with its most recent comprehensive review of the design, administration and controls of our compensation programs, the Committee, in consultation with its compensation consultant, determined that the Company’s compensation programs do not create risks that are reasonably likely to have a material adverse effect on the Company.

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Compensation Committee Report

The following Compensation Committee Report shall not be deemed to be “soliciting material” and should not be deemed “filed” and shall not be deemed to be incorporated by reference in future filings with the SEC, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

THE COMPENSATION COMMITTEE

Gary Daichendt (Chair)
Kevin DeNuccio
James Dolce

Compensation Committee Interlocks and Insider Participation

During fiscal 2020, the Compensation Committee consisted of Messrs. Daichendt, DeNuccio and Dolce. Mr. Daichendt is the chair of the Compensation Committee. Mr. Dolce was previously an officer of the Company from 2002 to 2006. None of our executive officers has served as a member of the board of directors or compensation committee of any other entity that has or had one or more executive officers who served as a member of the Compensation Committee during fiscal 2020. No member of this Compensation Committee had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K.

Summary Compensation Table

The following table sets forth certain information about the compensation of our NEOs for each of the last three years during which such individuals were NEOs. Our NEOs consist of (a) our Chief Executive Officer, (b) our Chief Financial Officer, and (c) our three other most highly compensated executive officers as of December 31, 2020.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$)	Total (\$)
Rami Rahim Chief Executive Officer	2020	1,000,000	350,000 ⁽¹¹⁾	9,658,395 ⁽³⁾	402,500	9,756 ⁽⁷⁾	11,420,651
	2019	1,000,000	0	9,417,291 ⁽⁴⁾	700,000	12,599 ⁽⁶⁾	11,129,890
	2018	1,000,000	787,500 ⁽⁸⁾	8,189,566 ⁽⁵⁾	0	7,260 ⁽⁷⁾	9,984,326
Kenneth Miller Executive Vice President, Chief Financial Officer	2020	600,000	120,000 ⁽¹¹⁾	3,024,037 ⁽³⁾	132,750	8,792 ⁽⁷⁾	3,885,579
	2019	587,500	0	3,167,958 ⁽⁴⁾	235,000	13,798 ⁽⁶⁾	4,004,256
	2018	575,000	258,750 ⁽⁸⁾	2,321,512 ⁽⁵⁾	0	7,260 ⁽⁷⁾	3,162,522
Manoj Leelanivas Executive Vice President, Chief Product Officer	2020	570,000	114,000 ⁽¹¹⁾	2,539,222 ⁽³⁾	126,100	10,422 ⁽⁷⁾	3,359,744
	2019	560,000	250,000 ⁽⁹⁾	2,181,018 ⁽⁴⁾	224,000	10,122 ⁽⁷⁾	3,225,140
	2018	422,917	250,000 ⁽⁹⁾	4,588,000	190,313	6,904 ⁽⁷⁾	5,458,133
Anand Athreya Executive Vice President, Chief Development Officer	2020	500,000	100,000 ⁽¹¹⁾	2,764,323 ⁽³⁾	110,500	12,702 ⁽⁷⁾	3,487,525
	2019	480,000	0	2,599,366 ⁽⁴⁾	192,000	14,138 ⁽⁶⁾	3,285,504
	2018	460,000	737,000 ⁽¹⁰⁾	1,917,675 ⁽⁵⁾	0	11,839 ⁽⁷⁾	3,126,514
Brian Martin Senior Vice President General Counsel	2020	525,000	105,000 ⁽¹¹⁾	2,289,047 ⁽³⁾	116,250	13,377 ⁽⁷⁾	3,048,674
	2019	512,500	0	2,461,460 ⁽⁴⁾	205,000	18,696 ⁽⁷⁾	3,197,656

⁽¹⁾ Because 60% of the target number of shares associated with the fiscal 2020 PSAs are based on separate measurements of our financial performance for each year in the three-year performance period, ASC Topic 718 requires that the grant date fair value be calculated at the commencement of each separate year of the performance cycle when the respective performance measures are approved. As a result, for the fiscal 2020 PSAs, the "Stock Awards" column does not include the value of the PSAs based on the annual financial metric goals for the fiscal year ending December 31, 2021 ("fiscal 2021") or the fiscal year ending December 31, 2022 ("fiscal 2022"). Such amounts will be included as equity compensation in the Summary Compensation Table for fiscal 2021 and fiscal 2022, respectively, when the annual financial metric goals are established. In addition, 40% of the target number of shares associated with the fiscal 2020 PSAs are based on the Company's TSR relative to the S&P 500 Index over a three year period. The grant date fair value for the market-related TSR component for fiscal 2020 PSAs is included in the "Stock Awards" column for the year of grant.

In addition, the "Stock Awards" column for fiscal 2020 includes a portion of the value of the PSAs awarded in the fiscal year ended December 31, 2019 ("fiscal 2019"), and a portion of the value of the PSAs awarded in the fiscal year ended December 31, 2018 ("fiscal 2018") based on the annual financial metric goals established for those awards during fiscal 2020. The amounts included in the "Stock Awards" column of the Summary Compensation Table for fiscal 2020 related to the PSAs awarded in fiscal 2019 and/or 2018 in the aggregate are as follows: \$1,600,937 (Mr. Rahim), \$433,466 (Mr. Miller), \$186,631 (Mr. Leelanivas), \$448,885 (Mr. Athreya) and \$373,303 (Mr. Martin).

Additionally, the "Stock Awards" column for fiscal 2020 includes the incremental fair value as calculated under ASC Topic 718, associated with the portion of the fiscal 2020, fiscal 2019 and fiscal 2018 PSAs, which was modified when the Compensation Committee adjusted certain of the annual financial metric goals for fiscal 2020 to reflect the Company's revised financial plan that was adopted following the onset of the COVID-19 pandemic (the "Post-COVID Financial Plan"). The resulting increase in compensation, which is included in the "Stock Awards" column relates to the accounting charges stemming from the modification of the NEOs' PSAs. Please see "Grants of Plan-Based Awards for Fiscal 2020" for more information regarding the incremental fair value of the modified awards.

The assumptions used in the calculation of these amounts are set forth under Note 12, *Employee Benefit Plans* of the Notes to Consolidated Financial Statements included in Juniper Networks' Annual Report on Form 10-K for fiscal 2020 filed with the SEC on February 12, 2021.

⁽²⁾ Amounts reflect cash bonuses earned in fiscal 2020, fiscal 2019 and fiscal 2018, as applicable, but paid in 2021, 2020 and 2019, respectively, under the Executive Annual Incentive Plan for fiscal 2020, fiscal 2019 and fiscal 2018, respectively.

⁽³⁾ The amount shown includes the aggregate grant date fair value of the shares issuable for PSAs granted in fiscal 2020 at target achievement. The aggregate grant date fair values of the maximum number of shares issuable for such performance shares are: \$8,432,111 (Mr. Rahim), \$2,548,823 (Mr. Miller), \$1,936,082 (Mr. Leelanivas), \$2,401,053 (Mr. Athreya) and \$1,949,232 (Mr. Martin).

⁽⁴⁾ The amount shown includes the aggregate grant date fair value of the shares issuable for PSAs granted in fiscal 2019 at target achievement. The aggregate grant date fair values of the maximum number of shares issuable for such performance shares are: \$8,538,601 (Mr. Rahim), \$2,319,240 (Mr. Miller), \$1,315,858 (Mr. Leelanivas), \$1,890,684 (Mr. Athreya) and \$1,900,515 (Mr. Martin).

⁽⁵⁾ The amount shown includes the aggregate grant date fair value of the shares issuable for PSAs granted in fiscal 2018 at target achievement. The aggregate grant date fair values of the maximum number of shares issuable for such performance shares are: \$8,095,308 (Mr. Rahim), \$2,229,268 (Mr. Miller) and \$1,513,793 (Mr. Athreya).

⁽⁶⁾ Amount consists of costs related to the standard employee benefit portion paid by the Company for life insurance premiums, matching contributions paid under the Company's 401(k) plan and costs borne by the Company associated with a guest attending a sales conference and related tax gross-up.

⁽⁷⁾ Amount consists of costs related to the standard employee benefit portion paid by the Company for life insurance premiums and matching contributions paid under the Company's 401(k) plan.

⁽⁸⁾ Amount reflects the non-equity incentive compensation amount earned by Messrs. Rahim and Miller, as applicable, pursuant to the terms of the 2018 Executive Annual Incentive Plan, as determined by the Compensation Committee, without giving effect to the cash offset resulting from the issuance of the Bonus PSUs. Inclusion of the cash offset resulting from the issuance of the Bonus PSUs would have resulted in no cash payout under the 2018 Executive Annual Incentive Plan. The Compensation Committee awarded this amount in recognition of the fact that the Bonus PSUs did not vest pursuant to their terms.

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⁽⁹⁾ Amount reflects a hiring bonus paid by the Company for Mr. Leelanivas. The bonus paid out 50% in 2018 and 50% in 2019.

⁽¹⁰⁾ Amount includes a special bonus award of \$530,000 paid to Mr. Athreya on November 30, 2018 in conjunction with his promotion to Executive Vice President, Chief Development Officer in August 2017. In addition, the amount reflects the amount earned by Mr. Athreya pursuant to the terms of the 2018 Executive Annual Incentive Plan, as determined by the Compensation Committee, without giving effect to the cash offset resulting from the issuance of the Bonus PSUs. Inclusion of the cash offset resulting from the issuance of the Bonus PSUs would have resulted in no cash payout under the 2018 Executive Annual Incentive Plan. The Compensation Committee awarded this amount in recognition of the fact that the Bonus PSUs did not vest pursuant to their terms.

⁽¹¹⁾ Amount reflects the additional amount earned based on the application of the Post-COVID Financial Plan to certain of the annual financial metric goals under the 2020 Executive Annual Incentive Plan, as determined by the Compensation Committee following the completion of the fiscal 2020 performance period.

Grants of Plan-Based Awards for Fiscal 2020

The following table shows all plan-based awards granted to our NEOs during fiscal 2020.

Name	Type of Award	Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units (#) ⁽³⁾	Grant Date Fair Value of Stock Awards (\$) ⁽⁴⁾
				Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Rami Rahim	AIP	—		—	875,000	2,625,000					
	RSUs	2/21/2020	2/20/2020				—			175,700	3,962,035
	PSAs	2/21/2020	2/20/2020				52,710	105,420	210,840		2,615,119
	Bonus PSUs	2/21/2020	2/20/2020				—	35,339	—		817,744
	Modified PSAs ⁽⁵⁾	12/17/2020	12/17/2020				52,568	105,135	210,270		662,560
Kenneth Miller	AIP	—		—	294,750	894,750					
	RSUs	2/21/2020	2/20/2020				—			56,500	1,274,075
	PSAs	2/21/2020	2/20/2020				16,950	33,900	67,800		840,946
	Bonus PSUs	2/21/2020	2/20/2020				—	12,328	—		285,270
	Modified PSAs ⁽⁵⁾	12/17/2020	12/17/2020				15,124	30,247	60,494		190,280
Manoj Leelanivas	AIP	—		—	280,000	850,000					
	RSUs	2/21/2020	2/20/2020				—			52,500	1,183,875
	PSAs	2/21/2020	2/20/2020				15,750	31,500	63,000		781,410
	Bonus PSUs	2/21/2020	2/20/2020					11,712			271,016
	Modified PSAs ⁽⁵⁾	12/17/2020	12/17/2020				9,390	18,780	37,560		116,290
Anand Athreya	AIP	—		—	245,500	745,500					
	RSUs	2/21/2020	2/20/2020				—			50,500	1,138,775
	PSAs	2/21/2020	2/20/2020				15,150	30,300	60,600		751,642
	Bonus PSUs	2/21/2020	2/20/2020				—	10,274	—		237,740
	Modified PSAs ⁽⁵⁾	12/17/2020	12/17/2020				14,857	29,713	59,427		187,282
Brian Martin	AIP	—		—	258,000	783,000					
	RSUs	2/21/2020	2/20/2020				—			40,400	911,020
	PSA	2/21/2020	2/20/2020				12,120	24,240	48,480		601,314
	Bonus PSUs	2/21/2020	2/20/2020					10,787			249,611
	Modified PSAs ⁽⁵⁾	12/17/2020	12/17/2020				12,197	24,393	48,787		153,800

⁽¹⁾ Amounts reflect potential cash bonuses payable under the Company's 2020 Executive Annual Incentive Plan described in "Compensation Discussion and Analysis" above. Actual payments to each of the NEOs pursuant to the 2020 Executive Annual Incentive Plan are included in the "Summary Compensation Table." The AIP does not provide for any threshold performance goals or payout amounts.

⁽²⁾ Amounts reflect the number of shares that may be earned under PSAs (including RTSR PSAs) and Bonus PSUs granted in fiscal 2020 under the 2015 Plan, and with respect to the PSAs, the number of shares that may be earned under PSAs if the threshold, target and maximum performance goals are achieved, as described in "Compensation Discussion and Analysis" above. Bonus PSUs do not provide for any threshold performance goals or payout amounts. If the Company fails to achieve the threshold performance metric, no shares will be earned or "banked" under the PSAs (including the RTSR PSAs).

⁽³⁾ Each service-based RSU award listed in this column was granted under the 2015 Plan, as described in "Compensation Discussion and Analysis" above.

⁽⁴⁾ Represents the aggregate grant date fair value of equity grants in fiscal 2020 computed in accordance with ASC Topic 718, including the target number of shares issuable for PSAs in 2020, Bonus PSUs and service-based RSUs. Excludes the grant date fair value for the portion of the fiscal 2019 PSAs and fiscal 2018 PSAs that will be earned based on the annual financial metric goals for the fiscal year ending December 31, 2021 because these PSAs were not granted in fiscal 2020. The amounts included in the "Stock Awards" column of the Summary Compensation Table for fiscal 2020 related to the PSAs awarded in fiscal 2019 and/or 2018 in the aggregate are as follows: \$1,600,937 (Mr. Rahim), \$433,466 (Mr. Miller), \$186,631 (Mr. Leelanivas), \$448,885 (Mr. Athreya) and \$373,303 (Mr. Martin).

⁽⁵⁾ Represents the portion of the fiscal 2020, fiscal 2019 and fiscal 2018 PSAs, which was modified when the Compensation Committee adjusted certain of the annual financial metric goals for fiscal 2020 to reflect the Company's revised financial plan that was adopted by the Board following the onset of the COVID-19 pandemic, and do not reflect new grants. The grant date shown is the modification date of these awards. The threshold, target and maximum amounts reflect the number of shares that may be earned under the modified PSAs in the aggregate if the threshold, target and maximum performance goals are achieved. The incremental fair value associated with these modified awards, as determined under ASC Topic 718, which is reported in the "Grant Date Fair Value of Stock Awards" column, relates to accounting charges stemming from the modification of these awards.

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Outstanding Equity Awards at Fiscal 2020 Year-End

The following table shows all outstanding equity awards held by our NEOs at December 31, 2020.

Name	Stock Awards ⁽¹⁾				Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(\$) ⁽²⁾
	Number of Shares or Units of Stock That Have Not Vested(#)	Market Value of Shares or Units of Stock That Have Not Vested(\$) ⁽²⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(#)		
Rami Rahim	64,704 ⁽³⁾	\$1,456,487			
	52,787 ⁽⁴⁾	\$1,188,235	62,500 ⁽⁴⁾		\$1,406,875
	31,274 ⁽⁵⁾	\$ 703,978	140,560 ⁽⁵⁾		\$3,164,006
			91,772 ⁽⁶⁾		\$2,065,788
	22,881 ⁽⁷⁾	\$ 515,051			
	35,339 ⁽⁸⁾	\$ 795,481			
	38,357 ⁽⁹⁾	\$ 863,416			
	103,124 ⁽¹⁰⁾	\$2,321,321			
	175,700 ⁽¹¹⁾	\$3,955,007			
Kenneth Miller	17,813 ⁽³⁾	\$ 400,971			
	13,827 ⁽⁴⁾	\$ 311,246	16,560 ⁽⁴⁾		\$ 372,766
	10,057 ⁽⁵⁾	\$ 226,383	45,200 ⁽⁵⁾		\$1,017,452
			26,400 ⁽⁶⁾		\$ 594,264
	7,681 ⁽⁷⁾	\$ 172,899			
	12,328 ⁽⁸⁾	\$ 277,503			
	10,560 ⁽⁹⁾	\$ 237,706			
	41,910 ⁽¹⁰⁾	\$ 943,394			
	56,500 ⁽¹¹⁾	\$1,271,815			
Manoj Leelanivas	66,000 ⁽¹²⁾	\$1,485,660			
	13,827 ⁽⁴⁾	\$ 311,246	16,560 ⁽⁴⁾		\$ 372,766
	9,345 ⁽⁵⁾	\$ 210,356	42,000 ⁽⁵⁾		\$ 945,420
	7,322 ⁽⁷⁾	\$ 164,818			
	11,712 ⁽⁸⁾	\$ 263,637			
	29,766 ⁽¹⁰⁾	\$ 670,033			
	52,500 ⁽¹¹⁾	\$1,181,775			
Anand Athreya	18,926 ⁽³⁾	\$ 426,024			
	13,827 ⁽⁴⁾	\$ 311,246	16,560 ⁽⁴⁾		\$ 372,766
	8,989 ⁽⁵⁾	\$ 202,342	40,400 ⁽⁵⁾		\$ 909,404
	6,276 ⁽⁷⁾	\$ 141,273			
	10,274 ⁽⁸⁾	\$ 231,268			
	11,220 ⁽⁹⁾	\$ 252,562			
	34,584 ⁽¹⁰⁾	\$ 778,486			
	50,500 ⁽¹¹⁾	\$1,136,755			
Brian Martin	15,586 ⁽³⁾	\$ 350,841			
	11,656 ⁽⁴⁾	\$ 262,377	13,960 ⁽⁴⁾		\$ 314,240
	7,191 ⁽⁵⁾	\$ 161,869	32,320 ⁽⁵⁾		\$ 727,523
			18,150 ⁽⁶⁾		\$ 408,557
	6,701 ⁽⁷⁾	\$ 150,840			
	10,787 ⁽⁸⁾	\$ 242,815			
	9,240 ⁽⁹⁾	\$ 207,992			
	30,294 ⁽¹⁰⁾	\$ 681,918			
	40,400 ⁽¹¹⁾	\$ 909,404			

⁽¹⁾ The number of shares and the payout value for the PSAs (which include the RTSR PSAs), Bonus PSUs and price vested RSUs set forth in the table reflect the target payout under such awards, unless otherwise indicated.

- (2) The closing price of Juniper common stock on 12/31/2020 was \$22.51.
- (3) The PSA was granted on 3/16/2018. The total number of shares earned under the award, which is reflected in the “*Number of Shares or Units of Stock That Have Not Vested*” column, was based on the achievement of (i) performance objectives for fiscal 2018, fiscal 2019 and fiscal 2020 and (ii) the Company’s relative total shareholder return (“TSR”) from 2018 through 2020. The award vested in full on 2/19/2021, upon the satisfaction of a continued service condition through the settlement date.
- (4) The PSA was granted on 3/15/2019. The number of shares that are ultimately received under the award depends on the achievement of (i) performance objectives for fiscal 2019, fiscal 2020 and fiscal 2021 and (ii) the Company’s relative TSR from 2019 through 2021. The number of shares reflected in the “*Number of Shares or Units of Stock That Have Not Vested*” column represents the amount of shares “banked” (i.e., for which the performance condition has already been determined by the Compensation Committee (or a subcommittee)) for prior periods. The number of shares reflected in the “*Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested*” column represents (i) with respect to shares that vest based on annual performance objectives, target payout of the shares for which the performance goals were not determined as of December 31, 2020 and (ii) with respect to shares that vest based on the Company’s relative TSR, the threshold payout since relative TSR performance as of end of the second year of the three-year performance period was not trending to meet the target goal. The award vests in the first quarter of 2022, subject to continuous service through the date the Compensation Committee (or a subcommittee) certifies the remaining performance conditions and the settlement date.
- (5) The PSA was granted on 2/21/2020. The number of shares that are ultimately received under the award depends on the achievement of (i) performance objectives for fiscal 2020, fiscal 2021 and fiscal 2022 and (ii) the Company’s relative TSR from 2020 through 2022. The number of shares reflected in the “*Number of Shares or Units of Stock That Have Not Vested*” column represents the amount of shares “banked” (i.e., for which the performance condition has already been determined by the Compensation Committee (or a subcommittee)) for prior periods. The number of shares reflected in the “*Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested*” column represents (i) with respect to shares that vest based on annual performance objectives, target payout of the shares for which the performance goals were not determined as of December 31, 2020 and (ii) with respect to shares that vest based on the Company’s relative TSR, the threshold payout since relative TSR performance as of the end of the first year of the three-year performance period was not trending to meet the target goal. The award vests in the first quarter of 2023, subject to continuous service through the date the Compensation Committee (or a subcommittee) certifies the remaining performance conditions and the settlement date.
- (6) The price vested RSU award was granted on 2/17/2017. The exact number of shares issuable will be determined during a 4-year period commencing on 1/1/2018, and subject to (i) the average closing market price of the Company’s common stock being equal to or exceeding specific stock prices measured over a period of 60 consecutive trading days and (ii) continuous service through the applicable vesting date.
- (7) The Bonus PSU was granted on 3/15/2019. The award vested 50% on 2/15/2020 and 50% on 2/15/2021, subject to continuous service through the applicable vesting date, if the performance objectives for fiscal 2019 are achieved.
- (8) The Bonus PSU was granted on 2/21/20. The award vests on 3/19/21, subject to continuous service through the applicable vesting date, if the performance objectives for fiscal 2020 are achieved.
- (9) The RSU award was granted on 2/17/2018. The RSU vests 34% on the one year anniversary and 33% on the two year and three year anniversary of the grant date, subject to continuous service through the applicable vesting date.
- (10) The RSU award was granted on 3/15/2019. The RSU vests 34% on the one year anniversary and 33% on the two year and three year anniversary of the grant date, subject to continuous service through the applicable vesting date.
- (11) The RSU award was granted on 2/21/2020. The RSU vests 34% on the one year anniversary and 33% on the two year and three year anniversary of the grant date, subject to continuous service through the applicable vesting date.
- (12) The RSU award was granted on 4/20/2018. The RSU vests 34% on the one year anniversary and 33% on the two year and three year anniversary of the grant date, subject to continuous service through the applicable vesting date.

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Stock Vested For Fiscal 2020

The following table shows all stock awards vested and value realized upon vesting by our NEOs during fiscal 2020. Our NEOs did not have any options outstanding during fiscal 2020.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽¹⁾
Rami Rahim	169,429	\$3,674,698
Kenneth Miller	55,672	\$1,203,018
Manoj Leelanivas	88,656	\$2,013,365
Anand Athreya	54,299	\$1,072,862
Brian Martin	49,468	\$1,084,015

⁽¹⁾ The value realized upon vesting is calculated by multiplying the number of shares vested by the closing price of Juniper Networks' common stock on the vest date (or, in the event the vest date occurs on a holiday or weekend, the closing price of Juniper Networks' common stock on the immediately preceding trading day).

Non-Qualified Deferred Compensation

We adopted a non-qualified deferred compensation (the "NQDC") plan in 2008, which is an unfunded and unsecured deferred compensation arrangement. Under the NQDC plan, eligible employees, including each of the NEOs, may elect to defer a portion of their compensation. Such amounts are credited to a bookkeeping account maintained on behalf of the participant. Amounts credited to each participant under the NQDC are periodically adjusted for earnings and/or losses at a rate that is equal to one or more of the measurement funds selected by the NQDC plan administrator and elected by a participant. We do not contribute to the NQDC plan on behalf of participants, or match the deferrals made by participants. Accordingly, amounts payable under the NQDC plan generally are entirely determined by participant contributions and fund elections.

Employee participants in the NQDC plan may elect to contribute 1% to 50% of their base salary and 1% to 100% of other specified compensation, including commissions and bonuses. Generally, participants may elect the payment of benefits to begin on a specified date or upon termination of employment. Payment of cash deferrals may be made in the form of a lump sum or annual installments, subject to certain requirements. All distributions are made in cash.

The following table sets forth information concerning contributions, earnings, and withdrawals/distributions during fiscal 2020 under the NQDC plan for each of our NEOs who participates in the NQDC.

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$) ⁽¹⁾	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE (\$) ⁽²⁾
Rami Rahim	—	—	—	—	—
Kenneth Miller	—	—	—	—	—
Manoj Leelanivas	—	—	—	—	—
Anand Athreya	—	—	\$(8,198)	\$60,833	\$49,541
Brian Martin	—	—	\$ 7,102	—	\$45,706

⁽¹⁾ None of the earnings in this column are included in the "Summary Compensation Table" because they are not preferential or above market.

⁽²⁾ The remaining portion of Mr. Athreya's aggregate balance (\$49,540.64) was previously reported as compensation in the "Summary Compensation Table" for fiscal years prior to 2020. No amounts of Mr. Martin's aggregate balance were previously reported as compensation in the "Summary Compensation Table" for fiscal years prior to 2020.



Pay Ratio

We determined that, based on reasonable estimates, the median of the annual total compensation of all of our employees, except our CEO, was \$117,461 for 2020. The annual total compensation of our CEO was \$11,420,651 for 2020 as reflected in the “*Summary Compensation Table*” above. Accordingly, for 2020, our reasonable estimate of the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all of our other employees was 97:1.

We identified our median employee based on the 2020 target total direct compensation for all individuals (other than our CEO) who were employed by the Company on December 31, 2020, the last day of our fiscal year. “Target total direct compensation” for this purpose consisted of each employee’s actual salary or base wages earned in 2020, his or her target non-equity incentive opportunity for 2020, and the fair market value of his or her equity incentive awards granted in 2020. For purposes of this analysis, we converted all employee compensation to U.S. dollars. In our analysis, we did not annualize the compensation of any permanent employees that were not employed by the Company for all of 2020, nor did we exclude any individuals that were employed by the Company on December 31, 2020.

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Compensation Consultant Disclosure

During 2020, the Compensation Committee engaged Compensia as its advisor to provide analysis, advice and guidance on executive and non-employee director compensation. As the Compensation Committee's consultant, Compensia reported to the Compensation Committee, made recommendations directly to the Compensation Committee, attended all Compensation Committee meetings in person or by phone, and attended portions of the Compensation Committee's executive sessions without the involvement of management as required by the Compensation Committee and to support the Compensation Committee's independent decision-making.

In advising the Compensation Committee, it is necessary for the consultant advisor to interact with management to gather information and support the Compensation Committee in an effective manner, but the Compensation Committee has adopted protocols that require the approval of the Compensation Committee or its chairperson for such interactions. These protocols are included in Compensia's engagement letters. The Compensation Committee also determines the appropriate forum for receiving consultant recommendations. Where the Compensation Committee deems appropriate, management invitees are present to provide context for the recommendations. This approach helps enable the Compensation Committee to make independent decisions about executive compensation after taking into consideration both the compensation consultant's recommendations and management's perspectives.

The Compensation Committee's compensation consultant performed the following services related to executive and non-employee director compensation at the request of the Compensation Committee in 2020:

- Assessed and recommended revisions to the Peer Group for collecting competitive pay data;
- Evaluated the competitive positioning of the Company's executive officers' base salaries, annual incentive and long-term incentive compensation relative to the Peer Group (used in our evaluation of 2020 pay actions);
- Advised on target award levels within the 2020 annual and long-term incentive programs for executive officers and senior management;
- Provided advice on the design and structure of the Company's 2020 and 2021 annual and long-term incentive plans, including performance metrics and weighting, performance scaling and the length of performance periods/ vesting restrictions;
- Provided input into the evaluation process by the Board of our Chief Executive Officer;
- Advised the Compensation Committee in determining pay actions for our Chief Executive Officer in February 2020;
- Assessed the competitiveness of the Company's compensation practices for non-employee directors relative to compensation at the Peer Group;
- Provided advice on the Company's overall equity plan usage relative to the practices of the Peer Group;
- Reviewed and provided input on our Compensation Discussion and Analysis and compensation risk assessment process;
- Provided regular, ongoing updates on regulatory and market developments related to executive and non-employee director pay; and
- Provided input on whether and how to take into account the impact of COVID-19 when determining executive compensation payouts for the 2020 performance period.

Compensia did not provide any other services to the Company, and therefore did not receive any fees for additional services from the Company.

Independence Disclosure

The Compensation Committee considered Compensia's independence in light of the SEC rules and NYSE listing standards. At the Compensation Committee's request, Compensia provided information addressing the independence of the individual compensation advisor and consulting firm, including the following factors: (1) any other services provided by the consulting firm to the Company; (2) fees paid by the Company as a percentage of the consulting firm's total revenue; (3) policies and procedures adopted by the consulting firm to prevent conflicts of interest; (4) any business or personal relationships between the individual compensation advisor and a member of the Compensation Committee; (5) any Company stock owned by the individual compensation advisor; and (6) any business or personal relationships between our executive officers and the individual compensation advisor or consulting firm. The Compensation Committee assessed these factors and concluded that Compensia was independent under the SEC rules and NYSE listing standards.

Equity Compensation Plan Information

The following table provides information as of December 31, 2020 about our common stock that may be issued under the Company's equity compensation plans, including option plans and employee stock purchase plans. The table does not include information with respect to shares subject to outstanding awards assumed by the Company in connection with acquisitions of the companies that originally granted those awards.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	15,407,753 ⁽²⁾	0 ⁽³⁾	23,616,227 ⁽⁴⁾
Equity compensation plans not approved by security holders	—	—	—
Total⁽⁵⁾	15,407,753	\$0.00⁽³⁾	23,616,227

⁽¹⁾ Includes the 2015 Plan and the 2008 Employee Stock Purchase Plan ("2008 ESPP").

⁽²⁾ Includes shares subject to any equity award that were outstanding as of December 31, 2020 that were issued under the 2015 Plan. The number of PSAs included assumes achievement at maximum. With respect to certain PSAs, the maximum number of shares issuable equals 200% of target. Excludes purchase rights granted under the 2008 ESPP.

⁽³⁾ RSUs and PSAs, which do not have an exercise price, as well as purchase rights accruing under the 2008 ESPP, are excluded in the calculation of weighted-average exercise price.

⁽⁴⁾ As of December 31, 2020, an aggregate of (i) 12,068,164 shares of common stock were available for issuance under the 2015 Plan and (ii) 11,548,063 shares of common stock were available for issuance under the 2008 ESPP, including 1,419,530 shares that were purchased during the purchase period under the 2008 ESPP commencing on August 1, 2020 and ending on January 31, 2021. No participant will be permitted to purchase during any twelve (12) month period more than 6,000 shares of our common stock under the 2008 ESPP.

⁽⁵⁾ This table does not include equity awards that have been assumed by the Company in connection with the acquisition of other companies. As of December 31, 2020, the following assumed equity awards were outstanding: 1,401,021 shares issuable upon exercise of outstanding options, 3,422,036 shares subject to RSUs and 1,057,322 shares subject to restricted stock awards. The weighted average exercise price of such outstanding options was \$4.46 per share. No additional equity awards may be granted under any assumed arrangement.

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Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information, as of March 19, 2021 (except where another date is indicated), concerning:

- beneficial owners of more than 5% of Juniper Networks' common stock;
- beneficial ownership by Juniper Networks directors and director nominees and the NEOs included in the "Summary Compensation Table" contained in this proxy statement; and
- beneficial ownership by all current Juniper Networks directors and current Juniper Networks executive officers as a group.

The information provided in the table is based on Juniper Networks' records, information filed with the SEC and information provided to Juniper Networks, except where otherwise noted.

The number of shares beneficially owned by each entity, person, director or executive officer is determined under rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power and also any shares that the individual has the right to acquire as of May 18, 2021 (60 days after March 19, 2021) through the exercise of any stock option or other right. Unless otherwise indicated, each person has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares set forth in the following table. In addition, unless otherwise indicated, all persons named below can be reached at Juniper Networks, Inc., 1133 Innovation Way, Sunnyvale, California 94089.

Beneficial Ownership Table

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class ⁽¹⁾
Dodge & Cox 555 California Street, 40th Floor, San Francisco, CA 94014	47,472,697 ⁽²⁾	15%
The Vanguard Group 100 Vanguard Blvd., Malvern, PA 19355	36,868,789 ⁽³⁾	11.3%
BlackRock, Inc. 55 East 52nd Street, New York, NY 10055	29,492,290 ⁽⁴⁾	9.0%
Anand Athreya	136,463	*
Gary Daichendt	65,008 ⁽⁶⁾	*
Anne DelSanto	20,188 ⁽⁶⁾	*
Kevin DeNuccio	35,008 ⁽⁶⁾	*
James Dolce	56,445 ⁽⁶⁾	*
Christine Gorjanc	18,575 ⁽⁶⁾	*
Janet Haugen	18,575 ⁽⁶⁾	*
Scott Kriens	2,384,952 ⁽⁷⁾	*
Manoj Leelanivas	143,367 ⁽⁸⁾	*
Brian Martin	96,777	*
Rahul Merchant	55,945 ⁽⁶⁾	*
Kenneth Miller	138,724	*
Rami Rahim	872,468 ⁽⁵⁾	*
William Stensrud	151,969 ⁽⁹⁾	*
All Directors and Executive Officers as a Group (15 persons)	4,203,216 ⁽⁸⁾	1.3%

* Represents holdings of less than one percent.

⁽¹⁾ The percentages are calculated using 327,084,558 outstanding shares of the Company's common stock on March 19, 2021, as adjusted pursuant to Rule 13d-3(d)(1)(i). Pursuant to Rule 13d-3(d)(1) of the Exchange Act, shares beneficially owned by a person or group includes shares of common stock that such person or group has the right to acquire within 60 days after March 19, 2021, which includes, but is not limited to, shares subject to RSUs or performance share awards that will vest within 60 days of March 19, 2021.

⁽²⁾ Based on information reported, as of December 31, 2020, on Schedule 13G/A filed with the SEC on February 11, 2021 by Dodge & Cox ("D&C"). According to its Schedule 13G/A, D&C reported having the sole power to vote or direct the vote over 45,246,632 shares and dispositive power over all shares beneficially owned.



- (3) Based on information reported, as of December 31, 2020, on Schedule 13G/A filed with the SEC on February 10, 2021 by The Vanguard Group and certain of its subsidiaries (collectively, "Vanguard"). According to its Schedule 13G/A, Vanguard reported having the sole power to vote or direct the vote over 0 shares, the shared power to vote or direct the vote over 626,410 share, the sole power to dispose of or to direct the disposition of 335,305,425 shares and the shared power to dispose or to direct the disposition of 1,563,364 shares.
- (4) Based on information reported, as of December 31, 2020, on Schedule 13G/A filed with the SEC on January 29, 2021 by BlackRock, Inc. and certain of its subsidiaries (collectively, "BlackRock"). According to its Schedule 13G/A, BlackRock reported having the sole power to vote or direct the vote over 25,244,574 shares and dispositive power over all shares beneficially owned.
- (5) Includes 872,468 shares held by the Rahim Family Trust, of which Mr. Rahim and his spouse are the trustees.
- (6) Includes 9,862 RSUs that are scheduled to vest within 60 days of March 19, 2021.
- (7) Includes 97,545 shares held in trust of which Mr. Kriens is the sole trustee, 97,545 shares held in trust of which Mr. Kriens' spouse is the trustee, 2,000,000 shares held by the 2020 Kriens Charitable Remainder Unitrust, of which Mr. Kriens and his spouse are the trustees, 180,000 shares held by KDI Trust LP, and 9,862 RSUs that are scheduled to vest within 60 days of March 19, 2021.
- (8) Includes 66,000 RSUs that are scheduled to vest within 60 days of March 19, 2021.
- (9) Includes 142,107 shares held in a trust of which Mr. Stensrud is the trustee, and 9,862 RSUs that are scheduled to vest within 60 days of March 19, 2021.

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Executive Officer and Director Stock Ownership Guidelines

The Company has adopted stock ownership guidelines to further align the interests of the NEOs, certain former NEOs and non-employee directors with the interests of its stockholders and to promote the Company's commitment to sound corporate governance.

The ownership guidelines applicable to NEOs are determined as a multiple of the officer's base salary. The Company's Chief Executive Officer is required to hold shares of Juniper Networks common stock with a value equal to at least six (6) times his or her annual base salary. The other NEOs are required to hold shares of Juniper Networks common stock with a value equal to three (3) times his or her annual base salary. The base salary guideline for each person will be re-calculated annually, and will be based on applicable base salary in effect on December 31 of each year. NEOs are required to achieve the applicable level of ownership within five (5) years from the date the stock ownership guidelines become applicable to such individual. Each NEO is further required to retain at least 50% of the net shares (i.e., after taking into account any shares the Company sold or withheld to satisfy such NEO's tax withholding obligations) acquired from the Company until the minimum ownership requirement is achieved.

Once a person has been designated as an NEO, the person will be subject to these guidelines until he or she is no longer an officer or director of the Company, or until he or she has ceased to be identified as an NEO in the Company's annual proxy statement for three consecutive years.

The Company's Chief Executive Officer is also required to hold an amount equal to 100% of the net shares (i.e., after taking into account any shares the Company sold or withheld to satisfy the Chief Executive Officer's tax withholding obligations) acquired from the Company with respect to all equity awards granted to him or her for at least 12 months after the vesting of such equity awards.

Outside directors are required to hold shares of Juniper Networks common stock with a value equal to five (5) times the amount of the annual cash retainer paid to outside directors for service on the Board (excluding additional committee retainers, if any). This ownership guideline was initially calculated using the annual cash retainer for service as a director (but not including additional retainers associated with committee or Chair service) as of the date the person first became subject to these guidelines as an outside director. The ownership guidelines are initially based on the applicable annual cash retainer for service as a director as of December 31, 2020, and are re-calculated annually thereafter based on the applicable annual cash retainer in effect on December 31 of each year. Outside directors are required to achieve the applicable level of ownership within five (5) years from the date the person first became a non-employee member of the Board.

Shares of our common stock that count toward the satisfaction of the ownership guidelines include shares owned outright by the NEO or director or his or her immediate family members residing in the same household and shares held in trust for the benefit of the NEO or director or his or her family. The value of a share is measured on December 31 of each year as the greater of (i) the average closing price over the 12 months preceding the date of calculation or (ii) the purchase price actually paid by the person for such share of Company common stock.

As of the record date, all individuals subject to the stock ownership guidelines were in compliance with the requirements in the guidelines. A complete copy of the Company's stock ownership guidelines is available at the Investor Relations Center on our website at <http://investor.juniper.net/investor-relations/default.aspx>.

Certain Relationships and Related Transactions

Our Board has adopted a written policy, which we refer to as our Related Person Transaction Policy, for the review of any transaction, arrangement or relationship in which the Company or any of its subsidiaries was, is or will be a participant, the amount involved will or may be expected to exceed \$120,000 and one of our executive officers, directors, director nominees or 5% stockholders (or their immediate family members or certain related entities), each of whom we refer to as a “related person,” has or will have a direct or indirect material interest.

Anyone seeking approval of a potential related person transaction must provide notice to our General Counsel of the facts and circumstances involved. If our General Counsel determines that the proposed transaction is or could reasonably be a related person transaction, such transaction will be submitted to our Audit Committee. Our Audit Committee will review and approve, ratify or disapprove of all related person transactions and will consider all material factors it deems applicable or appropriate in making a determination. No related person transaction will be approved or ratified unless it is, overall, in or not inconsistent with the best interests of the Company.

Notwithstanding the foregoing, transactions specifically excluded by the instructions to Item 404(a) of Regulation S-K, the SEC’s related person transaction disclosure rule, as such rule may be amended from time to time, are not deemed related person transactions under our Related Person Transaction Policy (although they may require approval under other policies we have in effect, including our Worldwide Code of Business Conduct and Ethics).

During fiscal 2020, the Company received approximately \$1.4 million in revenue from sales of its products and services to the Vanguard Group, a beneficial owner of more than 5% of the Company’s common stock. The sales were made in the ordinary course of business.

To our knowledge, other than as set forth above, since the beginning of fiscal 2020, Juniper Networks has not been a participant in a transaction in which any related person of Juniper Networks had or will have a direct or indirect material interest, as contemplated by Item 404(a) of Regulation S-K.

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General Information

Questions and Answers about the Proxy Materials and the Annual Meeting

Why am I receiving these materials?

The Board of Juniper Networks has made these materials available to you on the Internet or, upon your request, has delivered printed versions of these materials to you by mail or email, in connection with the Board's solicitation of proxies for use at Juniper Networks' 2021 annual meeting of stockholders, which will be held on May 13, 2021. As a Juniper Networks stockholder as of March 19, 2021 (the "Record Date"), you are invited to attend the annual meeting and are entitled to and requested to vote on the items of business described in this proxy statement.

What is included in these materials?

These materials include (i) our proxy statement for the annual meeting and (ii) our Annual Report on Form 10-K for fiscal 2020, which includes our audited consolidated financial statements.

If you requested printed versions of these materials by mail, these materials also include the proxy card or voting instruction card for the annual meeting.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

Pursuant to rules adopted by the SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, on or about March 31, 2021, we are sending a Notice of Internet Availability of Proxy Materials, which we refer to as the Notice, to our stockholders of record and beneficial owners as of the Record Date. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice (www.proxyvote.com). You may also request to receive a set of the proxy materials by mail or electronically by email. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice.

How can I get electronic access to the proxy materials?

The Notice will provide you with instructions regarding how to:

- View our proxy materials for the annual meeting on the Internet; and
- Instruct us to send future proxy materials to you electronically by email or in paper copy by mail.

Choosing to access our proxy materials on the Internet or to receive future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

How may I obtain Juniper Networks' Annual Report on Form 10-K?

Stockholders may request a free copy of our Annual Report on Form 10-K for fiscal 2020 with a written request to our principal executive offices at Juniper Networks, Inc., Attn: Investor Relations, 1133 Innovation Way, Sunnyvale, CA 94089 or at investor-relations@juniper.net. We will also furnish any exhibit to the Annual Report on Form 10-K for fiscal 2020 if specifically requested in writing. A copy of our Annual Report on Form 10-K for fiscal 2020 is also available with our proxy materials at www.proxyvote.com. In addition, you can access a copy on the website of the SEC at www.sec.gov.

How may I obtain a separate set of proxy materials?

As a result of Juniper Networks' adoption of "householding," if you share an address with another stockholder, you may receive only one Notice (or other stockholder communications, including our proxy materials) unless you have provided contrary instructions. Juniper Networks will deliver promptly upon written or oral request a separate Notice (or other stockholder communications, including our proxy materials), now or in the future, to any stockholder at a shared address to which a single copy of these documents was delivered. To request a separate copy, contact Juniper Networks' Investor Relations Department at Juniper Networks, Inc., Attn: Investor Relations, 1133 Innovation Way, Sunnyvale, CA 94089 or at investor-relations@juniper.net.

Similarly, if you share an address with another stockholder and have received multiple copies of the Notice (or other stockholder communications, including our proxy materials), you may write or call us at the above address and phone number to request delivery of a single copy of these documents.

What is the date, time and format of the 2021 annual meeting?

To support the health and well-being of our employees, stockholders and other stakeholders during the COVID-19 pandemic, we will hold the 2021 annual meeting of stockholders at on May 13, 2021 at 8:00 a.m. Pacific Time, virtually via the internet at www.virtualshareholdermeeting.com/JNPR2021. We expect to return to in-person annual meetings, when it becomes safe to do so. Online check-in will be available beginning at 7:45 a.m. Pacific Time. Please allow ample time for the online check-in procedures. The platform for the virtual annual meeting includes functionality that affords validated stockholders the same meeting participation rights and opportunities they would have at an in-person meeting. Instructions to access and log-in to the virtual annual meeting are provided below, and once admitted, stockholders may view reference materials such as our list of stockholders as of the Record Date, submit questions and vote their shares by following the instructions that will be available on the meeting website.

How do I attend the 2021 annual meeting?

In order to access and attend the virtual annual meeting, you will be asked to provide your 16-digit control number. Instructions on how to attend and participate via the internet are posted at www.virtualshareholdermeeting.com/JNPR2021. Information contained on this website is not incorporated by reference into this Proxy Statement or any other report we file with the SEC. The virtual meeting platform is widely supported across most browsers and devices running the most updated version of applicable software and plugins. Participants, however, should allow sufficient time prior to the start of the meeting to log-in and ensure that they can hear streaming audio prior to the start of the meeting. If any log-in difficulties are encountered, please call the technical support number on the log-in page.

Will the 2021 annual meeting be webcast?

Yes. You may attend the annual meeting virtually at www.virtualshareholdermeeting.com/JNPR2021 where you will be able to vote electronically and submit questions during the meeting.

How do I submit a question at the 2021 annual meeting?

You may submit a question during the meeting via our virtual stockholder meeting website, www.virtualshareholdermeeting.com/JNPR2021. If your question is properly submitted during the relevant portion of the meeting agenda, we will respond to your question during the live webcast.

What if there are technical difficulties during the 2021 annual meeting?

If we experience technical difficulties during the meeting (e.g., a temporary or prolonged power outage), our Chair will determine whether the meeting can be promptly reconvened (if the technical difficulty is temporary) or whether the meeting will need to be reconvened on a later day (if the technical difficulty is more prolonged). In any situation, we will promptly notify stockholders of the decision via www.virtualshareholdermeeting.com/JNPR2021.

How may I access an electronic list of stockholders of record entitled to vote at the 2021 annual meeting of stockholders?

We will make available an electronic list of stockholders of record as of Record Date for inspection by stockholders from May 3, 2021 through May 12, 2021. To access the electronic list during these dates, please send your request, along with proof of ownership, by email to investor-relations@juniper.net. You will receive confirmation of your request and instructions on how to view the electronic list. The list will also be available to stockholders at www.virtualshareholdermeeting.com/JNPR2021 during the live webcast of the 2021 annual meeting.

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What items of business will be voted on at the 2021 annual meeting and how does the Board recommend that I vote?

		Vote Required	Board Recommendation
Proposal 1	To elect ten directors to hold office until the next annual meeting of stockholders and until their respective successors have been elected and qualified.	Number of votes cast "FOR" exceeds number of votes cast "AGAINST" for each director	✓ FOR each nominee
Proposal 2	To ratify the appointment of Ernst & Young LLP as Juniper Networks, Inc.'s independent registered public accounting firm for the fiscal year ending December 31, 2021.	Majority of the total votes cast by holders of shares present through the virtual meeting or represented by proxy	✓ FOR
Proposal 3	To hold a non-binding advisory vote regarding executive compensation.	Majority of the total votes cast by holders of shares present through the virtual meeting or represented by proxy	✓ FOR

We will also consider any other matters that may properly be brought before the 2021 annual meeting of stockholders (and any postponements or adjournments thereof).

What shares can I vote?

Each share of common stock issued and outstanding as of the close of business on March 19, 2021, the Record Date, is entitled to vote on all items being voted upon at the annual meeting. You may vote all shares owned by you as of the Record Date, including (i) shares held directly in your name as the *stockholder of record* and (ii) shares held for you as the *beneficial owner* (i.e., in street name) through a broker, trustee or other nominee such as a bank. More information on how to vote these shares is contained in this proxy statement. On the Record Date, we had approximately 327,084,558 shares of common stock issued and outstanding. Each share of our common stock entitles you to one vote on each matter voted on at the annual meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most Juniper Networks stockholders hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially, which may affect how you can vote your shares.

Stockholder of Record — If your shares are registered directly in your name with Juniper Networks' transfer agent, EQ Shareowner Services, you are considered the stockholder of record with respect to those shares, and the Notice or proxy statement was sent directly to you by Juniper Networks. As the stockholder of record, you have the right to grant your voting proxy directly to Juniper Networks as described in the Notice and this proxy statement or to vote directly at the annual meeting.

Beneficial Owner — If your shares are held in a brokerage account, by a trustee or by another nominee, you are considered the beneficial owner of shares held in street name, and the Notice or proxy statement was forwarded to you by your broker or nominee. As the beneficial owner of shares held in street name, you have the right to direct your broker, trustee or nominee on how to vote the shares held in your account and are also invited to attend the annual meeting. Please see **"How do I attend the 2021 annual meeting?"** and **"How can I vote my shares at the 2021 annual meeting?"** for details on how you can virtually attend the annual meeting as a beneficial owner.

Since a beneficial owner is not the stockholder of record, your broker, trustee or nominee has provided voting instructions or a voting instruction card to you to use in directing the broker, trustee or nominee on how to vote your shares. If you do not provide your broker, trustee or nominee with instructions on how to vote your shares, such broker, trustee or nominee will be able to vote your shares only with respect to the proposal related to the ratification of the appointment of Ernst & Young as our independent auditor for 2021.

How can I vote my shares at the 2021 annual meeting?

You may directly vote shares held in your name as the *stockholder of record* at the annual meeting. You may directly vote shares held beneficially in street name at the annual meeting only if you obtain a legal proxy and control number from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. *Even if you plan to attend the annual meeting, you should also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.*

How can I vote my shares without attending the 2021 annual meeting?

Whether you hold shares directly as the *stockholder of record* or beneficially in street name, you may direct how your shares are voted without attending the meeting. If you are a *stockholder of record*, you may vote by submitting a proxy by any of the methods specified below. If you hold shares beneficially in street name, you may vote by submitting voting instructions to your broker, trustee or nominee. For directions on how to vote, please refer to the instructions in the Notice or proxy card or, for shares held beneficially in street name, the voting instructions provided by your broker, trustee or nominee.

By Internet — Stockholders of record with Internet access may submit proxies by following the “Vote by Internet” instructions on their proxy cards or the Notice and by following the voting instructions on the website. If you hold your shares in street name, please check the Notice or the voting instruction card provided by your broker, trustee or nominee for Internet voting availability and instructions.

By Telephone — Stockholders of record who live in the United States or Canada may submit proxies by following the “Vote by Phone” instructions on their proxy cards or by following the voting instructions provided by email or over the Internet. If you hold your shares in street name, please check the voting instructions provided by your broker, trustee or nominee for telephone voting availability and instructions.

By Mail — Stockholders of record who receive proxy materials by mail may submit proxies by completing, signing and dating their proxy cards and mailing them in the accompanying pre-addressed envelopes. Stockholders who hold shares beneficially in street name and who receive voting materials by mail from their brokers, trustees or nominees may vote by mail by completing, signing and dating the voting instruction cards provided and mailing them in the accompanying pre-addressed envelopes.

Can I change my vote or otherwise revoke my proxy?

You may change your vote at any time prior to the vote at the annual meeting. If you are the stockholder of record, you may change your vote by granting a new proxy by telephone, over the Internet or by submitting a properly signed proxy card bearing a later date (which automatically revokes the earlier proxy). You may also revoke your proxy by providing a written notice of revocation to Juniper Networks’ Corporate Secretary at Juniper Networks, Inc., ATTN: Corporate Secretary, 1133 Innovation Way, Sunnyvale, California 94089 prior to your shares being voted, or by voting at the annual meeting. Attendance at the annual meeting without any other action will not cause your previously granted proxy to be revoked. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by voting at the annual meeting.

How many shares must be present or represented to conduct business at the annual meeting?


In order for business to be conducted at the annual meeting, a quorum must be present. The presence in person or by proxy of the holders of a majority of shares of common stock issued and outstanding and entitled to vote as of the Record Date will constitute a quorum at the annual meeting. Both abstentions and broker non-votes will be counted for the purpose of determining the presence of a quorum.

Will my shares be voted if I do not vote as described in the Notice?

Stockholders of Record. If you do not submit a proxy or vote at the annual meeting, your shares will not be voted. If you indicate that you wish to vote as recommended by our Board or if you sign, date and return a proxy card but do not give specific voting instructions, then the proxy holders will vote your shares in the manner recommended by our Board on all matters presented in this Proxy Statement (e.g., “FOR” for Proposal No. 1, No. 2 and No. 3) and in their discretion regarding any other matters properly presented for a vote at our 2021 annual meeting of stockholders. As of the date of this Proxy Statement, we did not know of any proposals or matters to be raised at the 2021 annual meeting of stockholders other than those presented in this Proxy Statement.

Beneficial Owners of Shares Held in Street Name. If your shares are held in street name, your broker may, under certain circumstances, vote your shares. Certain brokerage firms have authority to vote clients’ unvoted shares on certain “routine” matters. If you do not give voting instructions to your broker, your broker may either (1) vote your shares on “routine” matters or (2) leave your shares unvoted. The proposal related to the ratification of the appointment of Ernst &

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Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2021 is considered a “routine” matter. None of the other proposals are considered “routine” matters, and therefore your broker will not be able to vote on these proposals without your instructions.

If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items. If you sign your proxy card without giving specific instructions, your shares will be voted in accordance with the recommendations of the Board, and in the discretion of the proxy holders as to any other matters that may properly come before the annual meeting.

What are broker non-votes?

Broker non-voting occurs when your broker has not received specific voting instructions from you with respect to shares held in street name and the broker does not have discretionary voting authority with respect to a proposal. Broker non-votes are counted as present for purposes of determining the presence or absence of a quorum for the transaction of business. However, broker non-votes are not counted for purposes of all proposals and therefore have no effect on the outcome of these proposals, assuming that quorum is obtained.

What is the impact of an abstention?

Abstentions will have the same effect as a vote “AGAINST” the approval of the ratification of the appointment of the independent registered public accounting firm and the non-binding advisory vote on executive compensation. Abstentions will not affect the vote on the election of directors.

What happens if additional matters are presented at the 2021 annual meeting?

Other than the three items of business described in this proxy statement, we are not aware of any other business to be acted upon at the annual meeting. If you grant a proxy, the persons named as proxy holders, Kenneth Miller and Brian Martin, will have the discretion to vote your shares on any additional matters properly presented for a vote at the annual meeting. If for any unforeseen reason any of our director nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board.

Who will bear the cost of soliciting votes for the 2021 annual meeting?

Juniper Networks is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these materials and soliciting votes. If you access the proxy materials and/or vote over the Internet, you are responsible for Internet access charges you may incur. If you choose to vote by telephone, you are responsible for telephone charges you may incur. In addition to the mailing of these materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. We also have hired Innisfree M&A Incorporated to assist us in the distribution of proxy materials and the solicitation of votes described above. We will pay Innisfree M&A Incorporated a fee of \$20,000, plus expenses. Upon request, we will also reimburse brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy and solicitation materials to stockholders.

Where can I find the voting results of the 2021 annual meeting?

We intend to announce voting results from the annual meeting in a current report on Form 8-K within the time period prescribed by SEC rules.

What is the deadline to propose actions for consideration or to nominate individuals to serve as directors at the 2021 annual meeting?

Although the deadline for submitting proposals or director nominations for consideration at the 2021 annual meeting of stockholders has passed, you may submit proposals and director nominations for consideration at future stockholder meetings. For further information, see the section entitled “*Stockholder Proposals and Nominations*” below.

Stockholder Proposals and Nominations

Requirements for stockholder proposals to be considered for inclusion in the Company's proxy materials. For a stockholder proposal to be considered for inclusion in Juniper Networks' proxy statement for the 2022 annual meeting of stockholders, the written proposal must be received by the Corporate Secretary of Juniper Networks at our principal executive offices no later than December 1, 2021. If the date of the 2022 annual meeting of stockholders is moved more than 30 days before or after the anniversary date of the 2021 annual meeting, the deadline for inclusion of proposals in Juniper Networks' proxy statement for the 2022 annual meeting of stockholders will be a reasonable time before Juniper Networks begins to print and mail its proxy materials for the 2021 annual meeting of stockholders. All such proposals also will need to comply with SEC regulations under Rule 14a-8 under the Exchange Act, which lists the requirements regarding the inclusion of stockholder proposals in company-sponsored proxy materials.


Proxy Access. Any stockholder (or group of up to 20 stockholders) meeting the Company's continuous ownership requirements of three percent (3%) or more of our common stock for at least three years prior to such nomination who wishes to nominate a candidate or candidates for election in connection with our 2022 annual meeting and requires the Company to include such nominees in the proxy statement and form of proxy, must submit a notice to the Corporate Secretary at the principal executive offices of the Company no later than November 1, 2021 and no earlier than December 1, 2021 (i.e., no later than the 120th day and no earlier than the 150th day before the one-year anniversary of the date on which the Company first mailed its proxy materials for the Company's 2021 annual meeting of stockholders). If the date of the 2022 annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of 2021 annual meeting, then, for the notice to be timely delivered, it must be received by the secretary not earlier than the close of business on the 120th day prior to the 2022 annual meeting and not later than the close of business on the later of (i) the 90th day prior to the 2022 annual meeting or (ii) the tenth day following the day on which public announcement of the 2022 annual meeting is first made by Juniper Networks.

Requirements for other stockholder proposals and director nominations. Notice of any proposal that a stockholder intends to present at the 2022 annual meeting of stockholders, but does not intend to have included in the Company's proxy statement and form of proxy relating to the 2022 annual meeting of stockholders, as well as any director nominations, must be timely delivered to the Corporate Secretary in accordance with the bylaws of the Company, which require that the proper notice be received by the Corporate Secretary not more than 75 days and not less than 45 days prior to the one year anniversary of the date Juniper Networks first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) to stockholders in connection with the previous year's annual meeting of stockholders. In addition, to be in proper form, a stockholder's notice to the Corporate Secretary must set forth the information required by the Company's bylaws.

For the 2022 annual meeting of stockholders, the notice must be received no earlier than January 15, 2022 and no later than February 14, 2022. However, if the date of the 2022 annual meeting is advanced more than 30 days before or more than 60 days after the anniversary date of this year's annual meeting, then for notice to be timely, the notice must be received by the Corporate Secretary not earlier than the 120th day prior to the 2022 annual meeting and not later than the close of business on the later of the 90th day prior to the 2022 annual meeting or the tenth day following the day on which public announcement of the date of the 2022 annual meeting is first made by Juniper Networks. In no event will the public announcement of an adjournment or postponement of an annual meeting of stockholders or the announcement thereof commence a new time period for the giving of a stockholder's notice as provided above.

Recommendation of Director Candidates. The Nominating and Corporate Governance Committee will consider recommendations of director candidates from Qualifying Stockholders. A "Qualifying Stockholder" is a stockholder that has owned for a period of one year prior to the date of the submission of the recommendation through the time of submission of the recommendation at least 1% of the total common stock of the Company outstanding as of the last day of the calendar month preceding the submission. A Qualifying Stockholder that desires to recommend a candidate for election to the Board must direct the recommendation in writing to the Corporate Secretary, and must include the candidate's name, home and business contact information, detailed biographical data and qualifications, information regarding any relationships between the candidate and the Company within the last three years, written evidence that the candidate is willing to serve as a director of the Company if nominated and elected and evidence of the nominating person's ownership of Company common stock.

Continues on next page ►



Corporate Secretary. Stockholder proposals and director nominations must be delivered to the Corporate Secretary via mail to Juniper Networks, Inc., ATTN: Corporate Secretary, 1133 Innovation Way, Sunnyvale, CA 94089.

Copy of Bylaws. You may contact the Corporate Secretary at our principal executive offices for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

Forward-Looking Statements

This proxy statement contains forward-looking statements within the meaning of section 27A of the Securities Act, as amended, and section 21E of the Exchange Act. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates” and similar expressions are used to identify these forward-looking statements. Statements that refer to or are based on projections, forecasts, uncertain events or assumptions also identify forward-looking statements, including, among other things, statements regarding our business strategies and financial results, industry trends, expected or future equity usage, burn rate or shares outstanding, expected use and enforcement of our compensation recoupment policies, anticipated future stockholder engagement efforts, our Corporate Citizenship and Sustainability program and initiatives, expected reductions in our energy consumption, carbon footprint, and resource use in our facilities, and our expectation that our products will continue to meet some of the strictest environmental standards in the industry.

These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied. For a more detailed discussion of these factors, see the information under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Form 10-K and 10-Q filed with the SEC. Our forward-looking statements speak only as of the date of this proxy statement or as of the date they are made, and we undertake no obligation to update them.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2020

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-34501

JUNIPER NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

77-0422528

(I.R.S. Employer Identification No.)

1133 Innovation Way

Sunnyvale, California

(Address of principal executive offices)

94089

(Zip code)

(408) 745-2000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.00001 per share	JNPR	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filings requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting common stock held by non-affiliates of the registrant was approximately 7,495,000,000 as of June 30, 2020, the last business day of the registrant's most recently completed second fiscal quarter (based on the closing sales price for the common stock on the New York Stock Exchange on such date).

As of February 10, 2021, there were 328,172,099 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

As noted herein, the information called for by Part III is incorporated by reference to specified portions of the registrant's definitive proxy statement to be filed in conjunction with the registrant's 2021 Annual Meeting of Stockholders, which is expected to be filed not later than 120 days after the registrant's fiscal year ended December 31, 2020.

Juniper Networks, Inc.
Form 10-K

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Forward-Looking Statements

This Annual Report on Form 10-K, which we refer to as the Report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding future events and the future results of Juniper Networks, Inc., which we refer to as "we," "us," or the "Company," that are based on our current expectations, estimates, forecasts, and projections about our business, our results of operations, the industry in which we operate and the beliefs and assumptions of our management. All statements other than statement of historical facts are statements that could be deemed to be forward-looking statements. Words such as "expects," "anticipates," "targets," "goals," "projects," "will," "would," "could," "intends," "plans," "believes," "seeks," "estimates," variations of such words, and similar expressions are intended to identify such forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, and these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including the duration, extent, and continuing impact of the COVID-19 pandemic, and our ability to successfully manage the demand, supply, and operational challenges associated with the COVID-19 pandemic. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in this Report under the section entitled "Risk Factors" in Item 1A of Part I and elsewhere, and in other reports we file with the U.S. Securities and Exchange Commission, or the SEC. In addition, many of the foregoing risks and uncertainties are, and could be, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result of the pandemic. While forward-looking statements are based on reasonable expectations of our management at the time that they are made, you should not rely on them. We undertake no obligation to revise or update publicly any forward-looking statements for any reason, except as required by applicable law.

PART I

ITEM 1. Business

Overview

Juniper Networks designs, develops, and sells products and services for high-performance networks to enable customers to build scalable, reliable, secure, and cost-effective networks for their businesses, while achieving agility and improved operating efficiency through automation. We sell our high-performance network products and service offerings across routing, switching, Wi-Fi, network security, and software-defined networking ("SDN") technologies. In addition to our products, we offer our customers services, including maintenance and support, professional services, Software-as-a-Service ("SaaS"), and education and training programs. We sell our products in more than 150 countries in three geographic regions: Americas; Europe, Middle East, and Africa, which we refer to as EMEA; and Asia Pacific, which we refer to as APAC.

Our products and services address high-performance network requirements for our customers within our verticals: Cloud, Service Provider, and Enterprise who view the network as critical to their success. We believe our silicon, systems, and software represent innovations that transform the economics and experience of networking, helping our customers achieve superior performance, greater choice, and flexibility, while reducing overall total cost of ownership.

Further, we have been expanding our software business by introducing new software solutions to our product and service portfolios that simplify the operation of networks, and allow our customers across our key verticals flexibility in consumption and deployment. Our acquisition of Mist Systems, or Mist, in 2019 accelerated our ability to execute this belief in cloud-managed, artificial intelligence ("AI"), or AI-enabled enterprise networking operations through a combination of cloud-based intelligence, enterprise-grade access points, and EX series switches. Machine learning technology simplifies wireless and wired operations and delivers a more agile cloud services platform. In 2020, we acquired 128 Technology and Netrounds. Our acquisition of 128 Technology represents the next evolution of our AI-driven enterprise vision. We believe 128 Technology will enable us to provide a superior standalone SD-WAN experience as compared to all other SD-WAN offerings currently on the market and extend the value of Mist's secure AI-engine and cloud management capabilities from client to cloud. Also, we believe our acquisition of Netrounds will enable service and cloud providers to rapidly deliver software-defined network services with guaranteed end-to-end service quality.

Our corporate headquarters are located in Sunnyvale, California. Our website address is www.juniper.net.

Strategy

We deliver highly scalable, reliable, secure, and cost-effective networks, while transforming the network's agility, efficiency, and value through automation. Our research and development efforts are focused on the following strategic priorities:

- Seize the cloud transition to gain share across our three customer verticals: Cloud, Service Provider, and Enterprise
- Differentiate with innovation in networking, security and software orchestration
- Leverage automation and AI to deliver simplicity of operations for our customers

We believe the network needs for our customers in our Cloud, Service Provider, and Enterprise verticals are converging as these customers recognize the need for high-performance networks and are adopting cloud architectures for their infrastructure and service delivery, such as large public and private data centers and service provider edge data centers, for improved agility and greater levels of operating efficiency. We believe this industry trend presents an opportunity for Juniper Networks, and we have focused our strategy on enabling our customers' transition to cloud architectures through the following strategic opportunities:

Cloud-Ready Data Center

We are focused on continuing to power public and private cloud data centers with high performance infrastructure. These data centers are the core of cloud transformation by enabling service delivery in a hybrid cloud environment, which is a combination of public cloud, private cloud, and SaaS delivery. We are a recognized leader in data center networking innovation in both software and hardware solutions. Our Junos Operating System, or Junos OS, application-specific integrated circuits, or ASIC, technology, and management and automation software investments across routing, switching, and network security technologies will continue to be key elements to maintaining our technology leadership and transforming the economics and experience of our public and private cloud customers. In 2019, we introduced our next-generation operating system, Junos OS Evolved, which enables higher availability, accelerated deployment, greater innovation, and improved operational efficiencies. In 2020, we accelerated our investments in operations experience focused automation, to stay ahead of an industry-wide trend to address size and complexity of data centers driven by a rapidly increasing number of cloud-ready workloads. In recognition of our automated fabrics, best-in-class security, and scalable designs, we have been recognized as a Gartner Magic Quadrant Leader for the third year in a row.

Our Service Provider customers are investing in the build-out of high-performance networks and distributed cloud environments to enable high-speed and low-latency applications. We are committed to support them to rearchitect their infrastructure to enable next-generation mobile network build-outs, or 5G, and Internet of Things, or IoT, service delivery close to their end users. In January 2021, we acquired Apstra, a leader in intent-based networking, open programmability and automated closed loop assurance for the management of data center networks. Our acquisition of Apstra will expand upon our data center networking portfolio to advance our vision to transform data center operations.

Automated Wide-Area-Networking Solutions

In developing our solutions, we strive to design and build best-in-class products and solutions for core, edge, and metro networking infrastructure for connecting users and devices securely to the cloud and to each other. cloud providers and service providers have deployed our product offerings in their wide area networks, or WAN, such as our highly efficient Internet Protocol, or IP, transport PTX product which can cost effectively manage incredible capacity from their end users to the data centers from which they deliver value to those customers. We also offer a robust portfolio of SDN-enabled MX series routing platforms that provide system capacity, density, security, and performance with investment protection. MX Series routers play at the heart of the digital transformation that service providers, cloud providers, and Enterprises are undergoing. Our SDN Controller for the WAN, NorthStar, enables granular visibility and control of IP/Multiprotocol Label Switching, or IP/MPLS flows for large networks. We believe our acquisition of Netrounds will enhance our automated WAN solutions with innovative testing and service assurance capabilities for fixed and mobile networks. We believe Netrounds' technology will strengthen and complement our existing capabilities, such as Healthbot, NorthStar, and our partnership with Anuta Networks to simplify network operations. We are committed to continued investment in cost effective and high-performance IP transport platforms and automation software, which forms the basis of these high-performance networks.

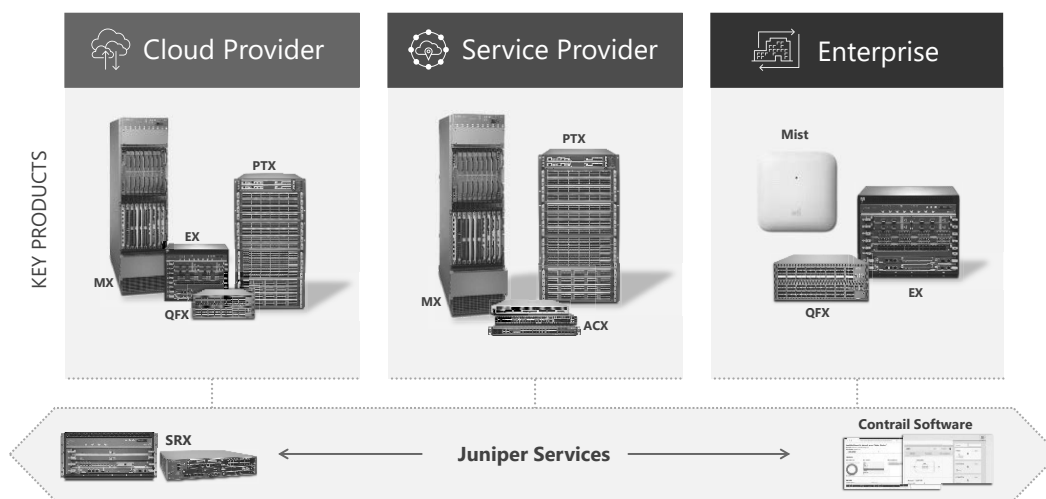
Secure AI-Driven Enterprise

Enterprises are consuming more value-as-a-service, where value is delivered in the form of cloud-based software and services. We have introduced cloud management and security products, which enable enterprises to consume cloud infrastructure and services securely. We believe the transition to SaaS presents an opportunity for Juniper to come to market with innovative network and security solutions for our Enterprise customers, which facilitate their transition to cloud architecture and operational experience.

We believe our understanding of high-performance networking technology, cloud architecture, and our strategy, positions us to capitalize on the industry transition to more automated, cost-efficient, scalable networks. Our strong growth from Mist has validated that belief and established us as a leader in cloud-managed AI-enabled wired and wireless enterprise networking operations. Our acquisition of 128 Technology will accelerate this strategy to next generation user-centric SD-WAN and will enable us to offer customers a unified platform for AI-driven Wireless LAN/Wired LAN/SD-WAN, with a superior user experience from client to cloud.

Customer Verticals

We sell our high-performance network products and service offerings through direct sales; distributors; value-added resellers, or VARs; and original equipment manufacturers, or OEMs, to end-users in the following verticals: Cloud, Service Provider, and Enterprise.



Key products presented above are for illustration purposes only.

Further, we believe our solutions benefit our customers by:

- Reducing capital and operational costs by running multiple services over the same network using our secure, high density, highly automated, and highly reliable platforms;
- Creating new or additional revenue opportunities by enabling new services to be offered to new market segments, which includes existing customers and new customers, based on our product capabilities;
- Increasing customer satisfaction, while lowering costs, by optimizing the experience of network operators and their users via automation, AI-enabled troubleshooting and support, and cloud-management;
- Providing increased asset longevity and higher return on investment as our customers' networks can scale to higher throughput based on the capabilities of our platforms;
- Offering network security across every environment—from the data center to campus and branch environments to assist in the protection and recovery of services and applications; and
- Offering operational improvements that enable cost reductions, including lower administrative, training, customer care, and labor costs.

The following is an overview of the trends affecting the market in which we operate by each of our customer verticals. We believe the networking needs for each of our customers will eventually result in cloud-based network architectures for improved agility and greater levels of operating efficiency.

Cloud

Our Cloud vertical includes companies that are heavily reliant on the cloud for their business model's success. Customers in the Cloud vertical can include cloud service providers, such as the largest public cloud providers, which we refer to as hyperscalers, and Tier-2 cloud providers, as well as enterprises that provide SaaS; infrastructure-as-a-service; or platform-as-a-service.

Cloud providers continue to grow as more organizations take advantage of public infrastructure to run their business. As their businesses grow, we expect they will continue to invest in their networks, which dictates the quality and experience of the products and the services they deliver to their end-customers. Further, as cloud providers begin to adopt new network technologies, such as the transition to 400-gigabit Ethernet, or 400GbE, we believe this should present further opportunities for us across our portfolio as our cloud customers value high-performance, highly compact, power efficient infrastructures, which we support and continue to develop.

In addition, SaaS continues to be an important factor for cloud providers as their customers, such as enterprises, prefer to procure and consume product and service offerings via SaaS models. As a result, we believe that SaaS providers will invest in high performance infrastructure because the quality of experience has proven just as important competitively as software features and functions. Lastly, as a result of regulations and the need for lower latency and high-performance networking, cloud providers have been transitioning to regional network build-outs or distributed cloud environments to address the increasing demand for services, data privacy, data protection, and consumer rights.

As Cloud customers are pushing the envelope in networking, our focus on collaboration combined with networking innovation around automation has made us a strategic partner with these customers, helping them develop high-performance and lower total cost of ownership networking solutions to support their business.

Service Provider

Our Service Provider vertical includes wireline and wireless carriers and cable operators, and we support most of the major carrier and operator networks in the world with our high-performance network infrastructure offerings. In recent years, we have seen increased convergence of these different types of customers through acquisitions, mergers, and partnerships.

Service Provider customers recognize the need for high-performance networks and leveraging the cloud to reduce costs from their network operations. This is dictating a change in business models and their underlying infrastructure, which we believe requires investment in the build-out of high-performance networks and the transformation of existing legacy infrastructure to distributed cloud environments in order to satisfy the growth in mobile traffic and video as a result of the increase in mobile device usage including smartphones, tablets, and connected devices of various kinds.

We expect that Network Function Virtualization, or NFV, and SDN, will be critical elements to enable our Service Provider customers the flexibility to support enhanced mobile video and dynamic new service deployments. We are engaging with these customers to transition their operations to essentially next-generation cloud operations as the need for a highly efficient infrastructure to handle large amounts of data along with low latency, or minimal delay, plays into the need to have a high performance, scalable infrastructure in combination with the automation and flexibility required to drive down operational costs and rapid provision applications. We consistently deliver leading technologies that transform the economics and experience of networking while significantly improving customer economics by lowering the capital expenditures required to build networks and the operating expenses required to manage and maintain them.

In addition to reducing operating costs, service providers are seeking to create new or additional revenue opportunities to support their evolving business models. These customers are beginning to deploy 5G, which we expect will begin to roll out over the next few years, and IoT, which we believe will give rise to new services like connected cars, smart cities, robotic manufacturing, and agricultural transformation. 5G and IoT require a highly distributed cloud data center architecture from which services are delivered to the end users and will involve a great degree of analytics and embedded security. We expect this trend will present further opportunities for Juniper with our focus on delivering a strong portfolio of network virtualization and software-based orchestration solutions, which position us to deliver on the automation and agility requirements of service providers.

Enterprise

Our high-performance network infrastructure offerings are designed to meet the performance, reliability, and security requirements of the world's most demanding enterprises. We offer enterprise solutions and services for data centers as well as branch and campus applications. Our Enterprise vertical includes enterprises not included in the Cloud vertical. They are industries with high performance, high agility requirements, including financial services; national, federal, state, and local governments; as well as research and educational institutions. We believe that our Enterprise customers are able to deploy our solutions as a powerful component in delivering the advanced network capabilities needed for their leading-edge applications.

We believe that as our Enterprise customers continue to transition their workloads to the cloud, they continue to seek greater flexibility in how they consume networking and security services, such as pay-per-use models. Additionally, Enterprises are deploying multicloud architectures which require end-to-end solutions for managing, orchestrating, and securing distributed cloud resources as a single pool of resources. Also, we are increasingly seeing a convergence of networking and security, resulting in security becoming an embedded capability in every solution that we offer to our customers.

High-performance enterprises require IP networks that are global, distributed, and always available. We are innovating in key technology areas to meet the needs of our Enterprise customers whether they plan to move to a public cloud architecture or hybrid cloud architecture (which is a mix of public and private cloud, as well as a growing number of SaaS applications).

In 2020, 2019, and 2018, no single customer accounted for 10% or more of our net revenues.

Products, Services, and Technology

Early in our history, we developed, marketed, and sold the first commercially available purpose-built IP backbone router optimized for the specific high-performance requirements of telecom and cable operators. As the need for core bandwidth continued to increase, the need for service-rich platforms at the edge of the network was created.

We have expanded our portfolio to address multiple domains in the network: core; edge; access and aggregation; data centers; and campus and branch. We have systematically focused on how we innovate in silicon, systems, and software (including our Junos OS and virtual network functions, or VNF) such as firewall, network orchestration, and automation to provide a range of hardware and software solutions in high-performance, secure networking.

Our acquisition of 128 Technology represents the next step in our AI-driven enterprise evolution. We believe 128 Technology will enhance our AI-Driven enterprise network portfolio with its session smart networking, accelerating the industry evolution

from network-centric SD-WAN solutions to modern user-centric AI-driven networks. Also, we believe our acquisition of Netrounds, which is an end-to-end assurance solution for our Service Provider customers, will enhance our automated WAN solutions with innovative testing and service assurance capabilities to further simplify operations for service providers and ensure positive end-user experiences. Further, we believe our acquisition of Apstra, a leader in intent-based networking, open programmability and automated closed loop assurance for the management of data center networks, will expand upon our data center networking portfolio to advance our vision to transform data center operations.

Further, our intent is to expand our software business by introducing new software solutions to our product and services portfolios that simplify the operation of networks, and provide flexibility in consumption and deployment to our customers across our key verticals. Our software offerings include subscriptions, SaaS, and term or time-based perpetual licenses. We believe our software and related services revenues as a percentage of total revenues will increase over time as we introduce new software solutions designed to better monetize the value of software functionality in our offerings.

Significant Product Development Projects and Solutions

In 2020, we continued to execute on our product and service solution strategy and announced several new innovations, including metro, edge, and core innovations to accelerate service providers' 5G transformation. Our Metro Fabric line expansion includes one and three rack unit ACX700 Universal Metro Routers. We announced a new edge MPC11E line card in the MX2000 Series 5G Universal Routing Platform, delivering an increase in line card and system capacity using our Penta Silicon chip. We also announced our new Triton Silicon enabling end-to-end secure connectivity at scale with 400GbE, and native Media Access Control Security that will be used in the PTX10008 and PTX10016 Universal Chassis. These new solutions will help service providers with their infrastructure transformation to 5G.

Also, we introduced our next-generation, cloud-ready operating system, Junos OS Evolved. It has the same command-line interface, the same applications and features, the same management and automation tools as Junos OS, but its infrastructure is entirely modernized, which enables higher availability, accelerated deployment, greater innovation and improved operational efficiencies.

Moreover, we announced a cloud-managed version of our SD-WAN solution. Our Contrail Service Orchestration now gives enterprises a simple way to manage and secure their WAN infrastructure, Branch LAN, and Wi-Fi networks. We also released our PTX10003 router and our QFX5220 switch, which are both 400GbE ready.

The following is an overview of our principal product families and service offerings in 2020:

Routing Products

- *ACX Series:* Our ACX Series Universal Access Routers cost-effectively address current operator challenges to rapidly deploy new high-bandwidth services. We believe that the ACX Series is well positioned to address the growing metro Ethernet and mobile backhaul needs of our customers, as we expect 5G mobile network build-outs to roll out over the next few years. The platforms deliver the necessary scale and performance needed to support multi-generation wireless technologies.
- *MX Series:* Our MX Series is a family of high-performance, SDN-ready, Ethernet routers that function as a Universal Edge platform with high system capacity, density, and performance. The MX Series platforms utilize our custom silicon and provide carrier-class performance, scale, and reliability to support large-scale Ethernet deployments. We also offer the vMX, a virtual version of the MX router, which is a fully featured MX Series 3D Universal Edge Router optimized to run as software on x86 servers.
- *PTX Series:* Our PTX Series Packet Transport Routers deliver high throughput at a low cost per bit, optimized for the service provider core as well as the scale-out architectures of cloud providers. The PTX Series is built on our custom silicon and utilizes a forwarding architecture that is focused on optimizing IP/MPLS, and Ethernet. This ensures high density and scalability, high availability, and network simplification.
- *NorthStar Controller:* Our wide-area network SDN controller automates the creation of traffic-engineering paths across the network, increasing network utilization and enabling a customized programmable networking experience.

Switching Products

- *EX Series:* Our EX Series Ethernet switches address the access, aggregation, and core layer switching requirements of micro branch, branch office, and campus environments, providing a foundation for the fast, secure, and reliable delivery of applications able to support strategic business processes.
- *QFX Series:* Our QFX Series of core, spine, and top-of-rack data center switches offer a revolutionary approach to switching that are designed to deliver dramatic improvements in data center performance, operating costs, and business agility for enterprises, high-performance computing networks, and cloud providers.
- *Juniper Access Points:* Our access points provide wireless access and performance, which is automatically optimized through reinforcement learning algorithms. Our access points have a dynamic virtual Bluetooth low energy element antenna array for accurate and scalable location services.

Security Products

- *SRX Series Services Gateways for the Data Center and Network Backbone:* Our mid-range, high-end and virtual SRX Series platforms provide high-performance, scalability, and service integration, which are ideally suited for medium to large enterprise, data centers and large campus environments, where scalability, high performance, and concurrent services, are essential. Our high-end SRX5800 platform is suited for service provider, large enterprise, and public sector networks. The upgrade to our high-end SRX firewall offering with our Services Process Card 3, or SPC3, with our Advanced Security Acceleration line card enhances the SRX5800 to deliver power for demanding use cases, including high-end data centers, IoT, and 5G.
- *Branch SRX, Security Policy and Management:* The Branch SRX family provides an integrated firewall and next-generation firewall, or NGFW, capabilities. Security Director is a network security management product that offers efficient, highly scalable, and comprehensive network security policy management. These solutions are designed to enable organizations to securely, reliably, and economically deliver powerful new services and applications to all locations and users with superior service quality.
- *Virtual Firewall:* Our vSRX Firewall delivers all of the features of our physical firewalls, including NGFW functionality, advanced security, and automated lifecycle management capabilities. The vSRX provides scalable, secure protection across private, public, and hybrid clouds. We also offer the cSRX which has been designed and optimized for container and cloud environments.
- *Advanced Malware Protection:* Our Advanced Threat Prevention portfolio consists of Sky ATP, a cloud-based service and Juniper ATP, or JATP, a premises-based solution. These products are designed to use both static and dynamic analysis with machine learning to find unknown threat signatures (zero-day attacks).

Services

In addition to our products, we offer maintenance and support, professional, SaaS, and educational services. We utilize a multi-tiered support model to deliver services that leverage the capabilities of our own direct resources, channel partners, and other third-party organizations.

We also train our channel partners in the delivery of support, professional, and educational services to ensure these services can be locally delivered.

As of December 31, 2020, we employed 1,887 people in our worldwide customer service and support organization. We believe that a broad range of services is essential to the successful customer deployment and ongoing support of our products, and we employ remote technical support engineers, on-site resident engineers, spare parts planning and logistics staff, professional services consultants, and educators with proven network experience to provide those services.

Platform Strategy

In addition to our major product families and services, our software portfolio has been a key technology element in our goal to be a leader in high-performance networking.

Our Junos Platform enables our customers to expand network software into the application space, deploy software clients to control delivery, and accelerate the pace of innovation with an ecosystem of developers. At the heart of the Junos Platform is Junos OS Evolved. We believe Junos OS Evolved is fundamentally differentiated from other network operating systems not only in its design, but also in its development capabilities. The advantages of Junos OS Evolved include:

- A modular operating system with common base of code and a single, consistent implementation for each control plane feature;
- A highly disciplined and firmly scheduled development process;
- A common modular software architecture that scales across all Junos-based platforms;
- A central database, which is used by not only Junos native applications but also external applications using application programming interfaces, or APIs; and
- A fully distributed general-purpose software infrastructure that leverages all the compute resources on the network element.

Junos OS Evolved is designed to improve the availability, performance, and security of business applications running across the network. Junos OS Evolved helps to automate network operations by providing a single consistent implementation of features across the network in a single release train that seeks to minimize the complexity, cost, and risk associated with implementing network features and upgrades.

Orchestration and Monitoring

As many of our customers continue moving to programmable and automated network operations, managing, orchestrating, and securing that complex journey can be a challenge. Network automation is the process of automating the configuration, management, testing, deployment, and operations of physical and virtual devices within a network. We believe the keys to achieving success with network and security automation includes:

- Architecting networking systems with strong APIs, analytics, and autonomous control; and
- Automating operations to become more reliable in the context of IT systems, teams, processes, and network operation and security operation workflows.

We are committed to providing solutions to help our customers to optimize their programmable and automated networking operations with the following offerings:

- *Contrail*: Our Contrail Networking and Contrail Cloud Platform offer an open-source, standards-based platform for SDN and NFV. This platform enables our customers to address their key problems in the area of network automation, agility, and time-to-service deployment by providing a mechanism to virtualize the network over any physical network and automating the provisioning and management of networking services (such as security and load balancing). Contrail Enterprise Multicloud and Contrail Edge Cloud provide packaged solutions designed for Enterprise multicloud and Service Provider Edge environments, respectively. Contrail's approach is to support multiple cloud and hardware vendors, various types of workloads, and both existing and new deployments.
- *Contrail Insights*: Contrail Insights (formerly known as AppFormix) is an optimization and management software platform for public, private, and hybrid clouds. This intent-driven software manages automated operations, visibility, and reporting in cloud and NFV use cases. It features machine learning-based policy and smart monitors, application and software-defined infrastructure analytics, and alarms to provide comprehensive visualization, smart analytics, and the ability to manage automatic remediation for service assurance.
- *Wired, Wireless, and WAN Assurance driven by Mist AI*: We provide visibility all the way down to the individual client, application and session to optimize individual user experiences from client-to-cloud. With customizable service levels that span the LAN, WLAN, and WAN, our solutions enable our customers to set and measure key metrics and proactively assure optimal user experiences on an ongoing basis. In addition, automated workflows are combined with event correlation, predictive analytics, and proactive self-driving operations to simplify IT operations and minimize end-to-end network troubleshooting costs.

- *Marvis Virtual Network Assistant driven by Mist AI:* Our Marvis Virtual Network Assistant identifies the root cause of issues across the information technology, or IT, domains and automatically resolves many issues proactively. It recommends actions for those connected systems outside of the Mist domain, while offering a real-time network health dashboard that reports issues from configuration to troubleshooting. Marvis has unique Natural Language Processing ("NLP") capabilities with a conversational interface so IT staff can get accurate answers to normal English language queries.
- *Netrounds:* Netrounds is a programmable, software-based active test and service assurance platform suitable for fixed and mobile networks for the entire service lifecycle. With its unique ability to actively test and monitor networks directly within software-defined virtual services, Netrounds acts as the missing link between services and networks, providing assurance about the quality of service experience from a customer's perspective, with insight to where a problem originated.

Research and Development

We have assembled a team of skilled engineers with extensive experience in the fields of high-end computing, network system design, ASIC design, security, routing protocols, software applications and platforms, and embedded operating systems. As of December 31, 2020, we employed 4,044 people in our worldwide research and development, or R&D, organization.

We believe that strong product development capabilities are essential to our strategy of enhancing our core technology, developing additional applications, integrating that technology, and maintaining the competitiveness and innovation of our product and service offerings. In our products, we are leveraging our software, ASIC and systems technology, developing additional network interfaces targeted to our customers' applications, and continuing to develop technology to support the build-out of secure high-performance networks and cloud environments. We continue to expand the functionality of our products to improve performance, reliability and scalability, and provide an enhanced user interface.

Our R&D process is driven by our corporate strategy and the availability of new technology, market demand, and customer feedback. We have invested significant time and resources in creating a structured process for all product development projects. Following an assessment of market demand, our R&D team develops a full set of comprehensive functional product specifications based on inputs from the product management and sales organizations. This process is designed to provide a framework for defining and addressing the steps, tasks, and activities required to bring product concepts and development projects to market.

Sales and Marketing

As of December 31, 2020, we employed 2,880 people in our worldwide sales and marketing organization. These sales and marketing employees operate in different locations around the world in support of our customers.

Our sales organization, with its structure of sales professionals, business development teams, systems engineers, marketing teams, channel teams, and an operational infrastructure team, is based on both vertical markets and geographic regions.

Our sales teams operate in their respective regions and generally either engage customers directly or manage customer opportunities through our distribution and reseller relationships as described below.

We sell to a number of Cloud and Service Provider customers directly. Otherwise, we sell to all of our key customer verticals primarily through distributors and resellers.

Direct Sales Structure

The terms and conditions of direct sales arrangements are governed either by customer purchase orders along with acknowledgment of our standard order terms, or by direct master purchase agreements. The direct master purchase agreements with these customers set forth only general terms of sale and generally do not require customers to purchase specified quantities of our products. We directly receive and process customer purchase orders.

Channel Sales Structure

A critical part of our sales and marketing efforts are our channel partners through which we conduct the majority of our sales.

We utilize various channel partners, including, but not limited to the following:

- A global network of strategic distributor relationships, as well as region-specific or country-specific distributors who in turn sell to local VARs who sell to end-user customers. Our distribution channel partners resell routing, switching, and security products, software and services, which are purchased by all of our key customer verticals. These distributors tend to focus on particular regions or countries. For example, we have substantial distribution relationships with Ingram Micro in the Americas and Hitachi in Japan. Our agreements with these distributors are generally non-exclusive, limited by region, and provide product and service discounts and other ordinary terms of sale. These agreements do not require our distributors to purchase specified quantities of our products or services. Further, most of our distributors sell our competitors' products and services, and some sell their own competing products and services.
- VARs and direct value-added resellers, including our strategic worldwide alliance partners referenced below, resell our products to end-users around the world. These channel partners either buy our products and services through distributors, or directly from us, and have expertise in designing, selling, implementing, and supporting complex networking solutions in their respective markets. Our agreements with these channel partners are generally non-exclusive, limited by region, and provide product and service discounts and other ordinary terms of sale. These agreements do not require these channel partners to purchase specified quantities of our products or services. Increasingly, our Cloud and Service Provider customers also resell our products or services to their customers or purchase our products or services for the purpose of providing managed or cloud-based services to their customers.
- Strategic worldwide reseller relationships with established Juniper alliances, comprised of Nippon Telegraph and Telephone Corporation; Ericsson Telecom A.B., or Ericsson; International Business Machines, or IBM; NEC Corporation; Fujitsu; and Atos. These companies each offer services and products that complement our own product and service offerings and act as a reseller, and in some instances as an integration partner for our products. Our arrangements with these partners allow them to resell our products and services on a non-exclusive and generally global basis, provide for product and service discounts, and specify other general terms of sale. These agreements do not require these partners to purchase specified quantities of our products or services.

Manufacturing and Operations

As of December 31, 2020, we employed 340 people in worldwide manufacturing and operations who manage our supply chain including relationships with our contract manufacturers, original design manufacturers, component suppliers, warehousing and logistics service providers.

Our manufacturing is primarily conducted through contract manufacturers and original design manufacturers in China, Malaysia, Mexico, and Taiwan. As of December 31, 2020, we utilized Celestica Incorporated, Flextronics International Ltd., Accton Technology Corporation, and Alpha Networks Inc. for the majority of our manufacturing activity. Our contract manufacturers and original design manufacturers are responsible for all phases of manufacturing from prototypes to full production including activities such as material procurement, surface mount assembly, final assembly, test, control, shipment to our customers, and repairs. Together with our contract manufacturers and original design manufacturers, we design, specify, and monitor the tests that are required to ensure that our products meet internal and external quality standards. We believe that these arrangements provide us with the following benefits:

- We can quickly ramp up and deliver products to customers with turnkey manufacturing;
- We gain economies of scale by leveraging our buying power with our contract manufacturers and original design manufacturers when we manufacture large quantities of products;
- We operate with a minimum amount of dedicated space and employees for manufacturing operations; and
- We can reduce our costs by reducing what would normally be fixed overhead expenses.

Our contract manufacturers and original design manufacturers build our products based on our rolling product demand forecasts. Each contract manufacturer procures the components necessary to assemble the products in our forecast and tests the products according to agreed-upon specifications. Products are then shipped to our distributors, resellers, or end-customers. Generally, we do not own the components. Title to the finished goods is generally transferred from the contract manufacturers to us when the products leave the contract manufacturer's or original design manufacturer's location. Customers take title to the

products upon delivery at a specified destination. If the product or components remain unused or the products remain unsold for a specified period, we may incur carrying charges or charges for excess or obsolete materials.

Our contracts with our contract manufacturers and original design manufacturers set forth a framework within which the contract manufacturer and original design manufacturer, as applicable, may accept purchase orders from us. These contracts do not represent long-term commitments.

We also purchase and hold inventory for strategic reasons and to mitigate the risk of shortages of certain critical components; the majority of this inventory is production components. As a result, we may incur additional holding costs and obsolescence charges, particularly resulting from uncertainties in future product demand.

Some of our custom components, such as ASICs, are manufactured primarily by sole or limited sources, each of which is responsible for all aspects of production using our proprietary designs. To ensure the security and integrity of Juniper products during manufacture, assembly and distribution, we have implemented a supply chain risk management framework as part of our overall Brand Integrity Management System. This framework encompasses all aspects of the supply chain as well as enhanced elements specific to security issues applicable to Juniper products and our customers.

By working collaboratively with our suppliers and as members of coalitions such as the Responsible Business Alliance, Responsible Minerals Initiative, and the CDP, formerly the Carbon Disclosure Project, Supply Chain program, we endeavor to promote socially and environmentally responsible business practices beyond our company and throughout our worldwide supply chain. To this end, we have adopted a business partner code of conduct and promote compliance with such code of conduct to our suppliers. Our business partner code of conduct expresses support for and is aligned with the Ten Principles of the United Nations Global Compact and the Responsible Business Alliance Code of Conduct. The Responsible Business Alliance, a coalition of electronics, retail, auto and toy companies, provides guidelines and resources to drive performance and compliance with critical corporate social responsibility policies. Its goals are to promote ethical business practices, to ensure that working conditions in the electronic industry supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible. By using standard audit and assessment protocols and tools, we measure and monitor manufacturing partners' and direct material suppliers' compliance to the codes of conduct, including but not limited to: onsite audits; risk assessments; CDP climate change and water requests; and conflict minerals surveys. Our Corporate Citizenship and Sustainability Report, which details our supply chain efforts, and Business Partner Code of Conduct are available on our website.

Backlog

Our sales are made primarily pursuant to purchase orders under master sales agreements either with our distributors, resellers, or end-customers. At any given time, we have backlog orders for products that have not shipped. Because customers may cancel purchase orders or change delivery schedules without significant penalty, we believe that our backlog at any given date may not be a reliable indicator of future operating results. As of December 31, 2020 and December 31, 2019, our total product backlog was approximately \$419.6 million and \$341.1 million, respectively. Our product backlog consists of confirmed orders for products scheduled to be shipped to our distributors, resellers, or end-customers, generally within the next six months. Backlog excludes certain future revenue adjustments for items such as product revenue deferrals, sales return reserves, service revenue allocations, and early payment discounts.

Seasonality

We, as do many companies in our industry, experience seasonal fluctuations in customer spending patterns. Historically, we have experienced stronger customer demand in the fourth quarter and weaker demand in the first quarter of the fiscal year. This historical pattern should not be considered a reliable indicator of our future net revenues or financial performance.

Competition

We compete in the network infrastructure markets. These markets are characterized by rapid change, converging technologies, and a migration to solutions that combine high performance networking with cloud technologies. In the network infrastructure business, Cisco Systems, Inc., or Cisco, has historically been the dominant player. However, our principal competitors also include Arista Networks, Inc.; Dell Technologies; Hewlett Packard Enterprise Co., or HPE; Huawei Technologies Co., Ltd., or Huawei; and Nokia Corporation, or Nokia.

Many of our current and potential competitors, such as Cisco, Nokia, HPE, and Huawei, among others, have broader portfolios which enable them to bundle their networking products with other networking and information technology products in a manner that may discourage customers from purchasing our products. Many of our current and potential competitors have greater name recognition, marketing budgets, and more extensive customer bases that they may leverage to compete more effectively. Increased competition could result in price reductions, fewer customer orders, reduced gross margins, and loss of market share, negatively affecting our operating results.

In addition, there are a number of other competitors in the security network infrastructure space, including Palo Alto Networks, Inc.; Check Point Software Technologies, Ltd.; F5 Networks, Inc.; and Fortinet, Inc.; among others, who tend to be focused specifically on security solutions and, therefore, may be considered specialized compared to our broader product line.

We expect that over time, large companies with significant resources, technical expertise, market experience, customer relationships, and broad product lines, such as Cisco, Nokia, and Huawei, will introduce new products designed to compete more effectively in the market. There are also several other companies that aim to build products with greater capabilities to compete with our products. Further, there has been significant consolidation in the networking industry, with smaller companies being acquired by larger, established suppliers of network infrastructure products. We believe this trend is likely to continue which may increase the competitive pressure faced by us due to their increased size and breadth of their product portfolios.

In addition to established competitors, a number of public and private companies have announced plans for new products to address the same needs that our products address. We believe that our ability to compete depends upon our ability to demonstrate that our products are superior and cost effective in meeting the needs of our current and potential customers.

As a result, we expect to face increased competition in the future from larger companies with significantly more resources than we have and also from emerging companies that are developing new technologies. Although we believe that our technology and the purpose-built features of our products make them unique and will enable us to compete effectively with these companies, there can be no assurance that new products, enhancements or business strategies will achieve widespread market acceptance.

Material Government Regulations

Our business activities are worldwide and subject us to various federal, state, local, and foreign laws in the countries in which we operate, and our products and services are subject to laws and regulations affecting the sale of our products. To date, costs and accruals incurred to comply with these governmental regulations have not been material to our capital expenditures, results of operations, and competitive position. Although there is no assurance that existing or future governmental laws and regulations applicable to our operations, products or services will not have a material adverse effect on our capital expenditures, results of operations, and competitive position, we do not currently anticipate material expenditures for government regulations. Nonetheless, as discussed below, we believe that environmental and global trade regulations could potentially have a material impact our business.

Environment

We are committed to maintaining compliance with all environmental laws applicable to our operations, products, and services and to reducing our environmental impact across our business and supply chain. Our operations and many of our products are subject to various federal, state, local, and foreign regulations that have been adopted with respect to the environment, such as the Waste Electrical and Electronic Equipment, Directive; Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment; Registration, Evaluation, Authorization, and Restriction of Chemicals; and Substances of Concern In Products, regulations adopted by the European Union, or EU, and China.

Juniper's greatest impact on the environment is through our products and services. Juniper has an environmental program, based on our new product introduction process that supports a circular economy model for environmental sustainability and focuses on energy efficiency, materials innovation, and recyclability. We consider opportunities to minimize resource impacts and improve efficiencies over a product's life cycle, from the materials we use and a product's energy footprint, to packaging and end-of-life, or EOL, activities such as reuse, refurbishment, and recycling. For example, the Juniper Certified Pre-Owned program offers a broad range of refurbished high-performance network solutions from Juniper's current line and end-of-production hardware portfolios with available Juniper-backed warranty and support services.

We are also voluntarily participating in CDP climate change and water disclosures and encourage our direct material suppliers and manufacturing partners to do the same. Additionally, we are a member of the Responsible Business Alliance, or RBA, and have adopted and promote the adoption by our suppliers the RBA Code of Conduct, as discussed above in the section entitled

Manufacturing and Operations. We continue to invest in the infrastructure and systems required to execute on, monitor and drive environmental improvements in our global operations and within our supply chain.

Global Trade

As a global company, the import and export of our products and services are subject to laws and regulations including international treaties, U.S. export controls and sanctions laws, customs regulations, and local trade rules around the world. The scope, nature, and severity of such controls varies widely across different countries and may change frequently over time. Such laws, rules and regulations may delay the introduction of some of our products or impact our competitiveness through restricting our ability to do business in certain places or with certain entities and individuals, or by requiring us to comply with domestic preference programs, laws concerning transfer and disclosure of sensitive or controlled technology or source code, unique technical standards, localization mandates, and duplicative in-country testing and inspection requirements. In particular, the U.S. and other governments have imposed restrictions on the import and export of, among other things, certain telecommunications products and components, particularly those that contain or use encryption technology. Most of our products are telecommunications products and contain or use encryption technology and, consequently, are subject to restrictions. The consequences of any failure to comply with domestic and foreign trade regulations could limit our ability to conduct business globally. We continue to support open trade policies that recognize the importance of integrated cross-border supply chains that are expected to continue to contribute to the growth of the global economy and measures that standardize compliance for manufacturers to ensure that products comply with safety and security requirements.

For additional information concerning regulatory compliance and a discussion of the risks associated with governmental regulations that may materially impact us, please see the section entitled “Risk Factors” in Item 1A of Part I of this Report.

Intellectual Property

Our success and ability to compete are substantially dependent upon our internally developed technology and expertise, as well as our ability to obtain and protect necessary intellectual property rights. While we rely on patent, copyright, trade secret, and trademark law, as well as confidentiality agreements, to protect our technology, we also believe that factors such as the technological and creative skills of our personnel, new product developments, frequent product enhancements, and reliable product maintenance are essential to establishing and maintaining a technology leadership position. There can be no assurance that others will not develop technologies that are similar or superior to our technology.

Patents

As of December 31, 2020, we had over 4,300 patents worldwide and numerous patent applications are pending. Patents generally have a term of twenty years from filing. As our patent portfolio has been built over time, the remaining terms on the individual patents vary. We cannot be certain that patents will be issued on the patent applications that we have filed, that we will be able to obtain the necessary intellectual property rights, or that other parties will not contest our intellectual property rights.

Licenses

In addition, we integrate licensed third-party technology into certain of our products and, from time to time, we need to renegotiate these licenses or license additional technology from third parties to develop new products or product enhancements or to facilitate new business models. There can be no assurance that third-party licenses will be available or continue to be available to us on commercially reasonable terms or at all. Our inability to maintain or re-license any third-party licenses required in our products or our inability to obtain third-party licenses necessary to develop new products and product enhancements could require us to obtain substitute technology of lower quality or performance standards or at a greater cost, any of which could harm our business, financial condition, and results of operations.

Trademarks

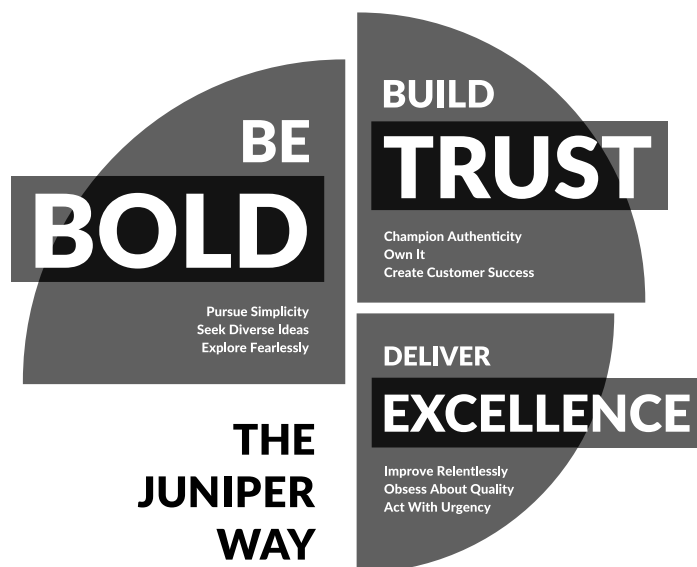
JUNIPER NETWORKS, JUNIPER, the Juniper Networks logo, JUNOS, RUNNING JUNOS, CONTRAIL, and other trademarks are registered trademarks of Juniper Networks, Inc. and/or its affiliates in the United States and other countries. Other names may be trademarks of their respective owners.

Human Capital Resources

We believe our success in delivering high-performance networks in the digital transformation era relies on our culture, values, and the creativity and commitment of our people. As of December 31, 2020, we had 9,950 full-time employees, of whom approximately 46%, 41% and 13% resided in the Americas, APAC, and EMEA, respectively. We invest in our people. We strive to maintain healthy, safe, and secure working conditions - a workplace where our employees are treated with respect and dignity. Our vision is to create an inclusive, diverse and authentic community that inspires collaboration, integrity, engagement, and innovation. We are striving to create a world-class employee experience – one that offers opportunity for personal and professional growth, and enable work-life balance that aligns with the core values embodied in The Juniper Way.

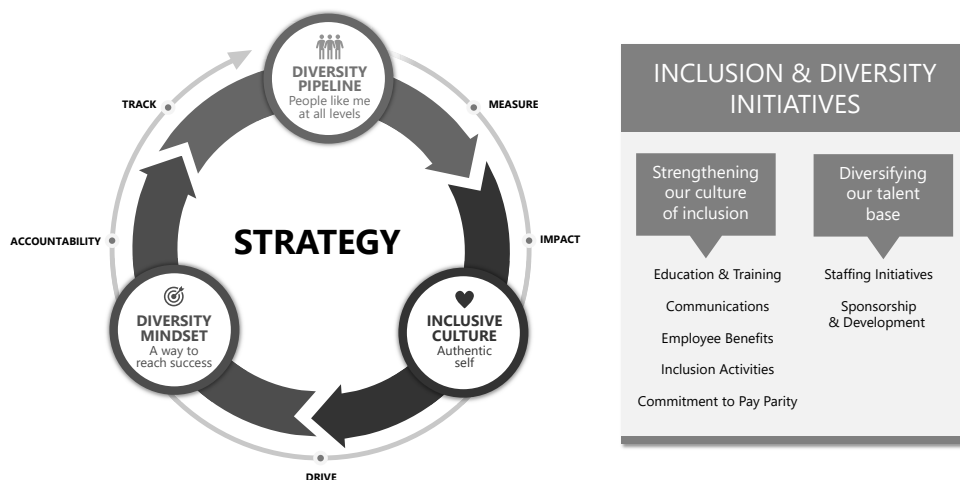
The Juniper Way

More than a set of shared values, the Juniper Way reflects the company’s commitment to inspire every Juniper employee to do their best work. This foundation is embodied in three values – Be Bold, Build Trust, and Deliver Excellence, along with a set of refined behaviors for each.



Inclusion and Diversity

As a company committed to innovation and representing diversity in a myriad of ways—including race, ethnicity, age, background, perspectives, tenure, work style, and sexual orientation—we believe that diversity is a competitive asset. At our core, we believe excellence depends on seeking out diverse ideas and fostering a culture where all employees are actively engaged. Also, we are committed to improving inclusivity by being engaged and accountable at the highest level of leadership.



We monitor our progress against our inclusion and diversity strategy of diversifying our talent base, creating an environment where all employees feel included and valued, and driving accountability across the organization. In 2020, we continued to make progress in our inclusion and diversity efforts, including higher female representation in the global leadership.

Employee Engagement

We use a framework called Talent Matters to encourage an open and interactive culture between employees and their manager, where individual needs are recognized and met, and company goals are supported. Our professional development approach includes reviewing and assessing our management teams as well as facilitating personal employee development and growth. For all employees, growth goals are tied to our corporate objectives and key results, to ensure that they are progressing and are supported by management teams. In early 2020, we launched a People Manager Network to create global consistency in how people managers lead teams and support employees, including specific focus on leading during the COVID-19 pandemic. With this program, managers are empowered and provided with the training and resources to scale employee career growth and provide their teams with the necessary tools to facilitate that growth. Managers are encouraged to schedule Conversation Days with their direct reports to identify opportunities for the company to better support employees and set goals for professional and personal growth. 91% of the people managers participated in a People Manager Network experience in 2020.

To ensure our employees' personal and professional growth, we continue to develop training courses focused on building personal capabilities as well as skill development. Each year, Juniper employees also receive role-specific training, in addition to trainings, which includes topics, such as human rights, environmental performance, compliance with the Juniper Worldwide Code of Business Conduct, engineering and other compliance and industry-specific subjects.

We consistently work to improve the employee experience by addressing feedback collected through the annual Juniper Voice Survey and topic-specific surveys, including employee benefits and total rewards package and Juniper's response to the COVID-19 pandemic.

Information about our Executive Officers

The following sets forth certain information regarding our executive officers as of the filing of this Report:

Name	Age	Position
Rami Rahim	50	Chief Executive Officer and Director
Anand Athreya	57	Executive Vice President, Chief Development Officer
Manoj Leelanivas	51	Executive Vice President, Chief Product Officer
Brian Martin	59	Senior Vice President, General Counsel and Secretary
Kenneth B. Miller	49	Executive Vice President, Chief Financial Officer
Thomas A. Austin	53	Vice President, Corporate Controller and Chief Accounting Officer

RAMI RAHIM joined Juniper in January 1997 and became Chief Executive Officer of Juniper, and a member of the Board of Directors, in November 2014. From March 2014 until he became Chief Executive Officer, Mr. Rahim served as Executive Vice President and General Manager of Juniper Development and Innovation. His responsibilities included driving strategy, development and business growth for routing, switching, security, silicon technology, and the Junos operating system. Previously, Mr. Rahim served Juniper in a number of roles, including Executive Vice President, Platform Systems Division, Senior Vice President and General Manager, Edge and Aggregation Business Unit, or EABU, and Vice President, Product Management for EABU. Prior to that, Mr. Rahim spent the majority of his time at Juniper in the development organization where he helped with the architecture, design and implementation of many Juniper core, edge, and carrier Ethernet products. Mr. Rahim holds a bachelor of science degree in Electrical Engineering from the University of Toronto and a master of science degree in Electrical Engineering from Stanford University.

ANAND ATHREYA joined Juniper in August 2004 and became Executive Vice President and Chief Development Officer in August 2017. In this role, he is responsible for Juniper's Engineering organization. Since joining Juniper, Mr. Athreya has held various leadership positions within Engineering, including most recently serving as Senior Vice President of Engineering from May 2014 through August 2017, and Corporate Vice President of Engineering from February 2011 through May 2014. Mr. Athreya joined Juniper from Procket Networks, a maker of routers and routing technology, where he served as Director of Software Engineering. Prior to that, he was Vice President of Engineering at Malibu Networks, a supplier of fixed wireless networking based broadband solutions, Assistant Vice President of Product Management and Strategy at Tiara Networks, a provider of broadband access systems, and held engineering roles at Novell, a software and services company. Mr. Athreya received his bachelor of science degree in Electrical Engineering from Bangalore University, a master of science degree in

Computer Science and Engineering from Osmania University, and an MBA from National University. He is also a graduate of the Advanced Management Program at Harvard Business School.

MANOJ LEELANIVAS joined Juniper in March 2018 as Executive Vice President, Chief Product Officer. In this role, Mr. Leelanivas leads all aspects of product strategy and direction for Juniper and helps to align products with our go-to-market strategies and execution, including marketing operations. From June 2013 to September 2017, Mr. Leelanivas was President and Chief Executive Officer of Cyphort, an innovator in scale-out security analytics technology, that was acquired by Juniper in September 2017. From March 1999 to May 2013, he held several key product management positions at Juniper, including Executive Vice President of Advanced Technologies Sales for data center. Mr. Leelanivas holds a bachelor of technology in Computer Engineering from the National Institute of Technology Karnataka, a master of science degree in Computer Science from the University of Kentucky, and is a graduate of the Stanford University Executive Business Program.

BRIAN MARTIN joined Juniper in October 2015 as Senior Vice President, General Counsel and Secretary. From January 2018 to October 2018, Mr. Martin also assumed the role of interim Chief Human Resources Officer ("CHRO") while the Company continued its search for a full-time CHRO. From April 2007 to September 2015, Mr. Martin served as Executive Vice President, General Counsel and Corporate Secretary of KLA-Tencor Corporation ("KLA-Tencor"), a provider of process control and yield management solutions. Prior to joining KLA-Tencor, Mr. Martin spent ten years in senior legal positions at Sun Microsystems, Inc. ("Sun"), a manufacturer of computer workstations, servers, software, and services for networks, most recently as Vice President, Corporate Law Group, responsible for legal requirements associated with Sun's corporate securities, mergers, acquisitions and alliances, corporate governance and Sarbanes-Oxley compliance, and litigation management. Prior to joining Sun, Mr. Martin was in private practice where he had extensive experience in antitrust and intellectual property litigation. From August 2020 to the present, he has served as an adjunct professor at the Southern University Law Center. Mr. Martin holds a bachelor of science degree in Economics from the University of Rochester and a J.D. from the State University of New York at Buffalo Law School.

KENNETH B. MILLER joined Juniper in June 1999 and has served as our Executive Vice President, Chief Financial Officer since February 2016. Mr. Miller served as our interim Chief Accounting Officer while the Company continued to search for a full-time Chief Accounting Officer from February 2019 to September 2019. From April 2014 to February 2016, Mr. Miller served as our Senior Vice President, Finance, where he was responsible for the finance organization across the Company, as well as our treasury, tax and global business services functions. Previously, Mr. Miller served as our Vice President, Go-To-Market Finance, Vice President, Platform Systems Division, Vice President, SLT Business Group Controller and in other positions in our Finance and Accounting organizations. Mr. Miller holds a bachelor of science degree in Accounting from Santa Clara University.

THOMAS A. AUSTIN joined Juniper in September 2019 as our Vice President, Corporate Controller and Chief Accounting Officer. From September 2016 until July 2019, Mr. Austin served as the Vice President of Corporate Finance at Dell Technologies, Inc., a multinational information technology company. From September 2008 until its acquisition by Dell Technologies in September 2016, Mr. Austin served as the Vice President of Corporate Finance at EMC Corporation, a multinational information technology company. From January 2001 through July 2008, Mr. Austin served as the Chief Financial Officer and Treasurer at Arbor Networks, Inc., a network security company. Prior to joining Arbor Networks, Mr. Austin served as a controller for several companies. He began his career in public accounting at PricewaterhouseCoopers, a registered public accounting firm. Mr. Austin holds a bachelor of science degree in Public Accountancy from Providence College and an MBA from Babson College. Mr. Austin is also an adjunct professor of Finance at Providence College School of Business.

Available Information

We file our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K with the SEC electronically. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers, including Juniper Networks that file electronically with the SEC. The address of that website is <https://www.sec.gov>.

You may obtain a free copy of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports on our website at <http://www.juniper.net> or by sending an e-mail message to Juniper Networks Investor Relations at investorrelations@juniper.net. Such reports and other information are available on our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Our Corporate Governance Standards, the charters of our Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, as well as our Worldwide Code of Business Conduct are also available on our website. Information on our website is not, and will not be deemed, a part of this report or incorporated into any other filings the Company makes with the SEC.

Investors and others should note that we announce material financial and operational information to our investors using our Investor Relations website (<http://investor.juniper.net>), press releases, SEC filings and public conference calls and webcasts. We also use the Twitter accounts @JuniperNetworks and the Company's blogs as a means of disclosing information about the Company and for complying with our disclosure obligations under Regulation FD. The social media channels that we use as a means of disclosing information described above may be updated from time to time as listed on our Investor Relations website.

Item 1A. Risk Factors

Factors That May Affect Future Results

We operate in rapidly changing economic and technological environments that present numerous risks, many of which are driven by factors that we cannot control or predict. Some of these risks are highlighted in the following discussion, and in Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures About Market Risk. Investors in our securities should carefully consider all relevant risks disclosed by us before investing in our securities. The occurrence of any of these risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, operating results, and stock price.

RISKS RELATED TO OUR BUSINESS STRATEGY AND INDUSTRY

The COVID-19 pandemic has significantly affected how we and our customers are operating our businesses, and the duration and extent to which this will impact our future results of operations and overall financial performance remains uncertain. The COVID-19 pandemic has, and may continue to, negatively affect our operations, including as a result of external factors beyond our control such as restrictions on the physical movement of our employees, contract manufacturers, partners, and customers to limit the spread of COVID-19 and the availability and acceptance of a COVID-19 vaccine. Since March 2020, the majority of our global workforce has been working remotely resulting from shelter-in-place requirements and travel restrictions. We continue to follow the guidance of local and national governments, including monitoring the health of employees who have returned to our offices and limiting the gathering size of employee groups in indoor spaces. If the COVID-19 pandemic has a substantial impact on our employees, partners or customers health, attendance or productivity, our results of operations and overall financial performance may be adversely impacted.

Moreover, the conditions caused by the pandemic may affect the overall demand environment for our products and services and could adversely affect our customers' ability or willingness to purchase our products or services or to make payments on existing contracts with us, delay prospective customers' purchasing decisions, delay the provisioning of our offerings, lengthen payment terms, or affect attrition rates, all of which could adversely affect our future sales, operating results and overall financial performance. Further, the pandemic has and could continue to adversely affect our ability to provide or deliver products and on-site services to our customers. For example, during fiscal 2020, the COVID-19 pandemic caused us to experience supply constraints due to both constrained manufacturing capacity as well as shortages of component parts as our component vendors also faced manufacturing challenges. These challenges resulted in extended lead-times to our customers and increased logistics costs, which negatively impacted our ability to recognize revenue and decreased our gross margins for these periods. While our manufacturing capacity continues to improve, we expect several of our component suppliers will remain challenged in the near term. Further, the spread of COVID-19 has and is likely to continue to affect the shipment of goods globally.

The duration and extent of the impact from the COVID-19 pandemic on our business depends on future developments that cannot be accurately forecasted at this time, such as the transmission rate and geographic spread of the disease, the extent and effectiveness of containment actions, the world-wide distribution and acceptance of vaccines, and the impact of these and other factors on our employees, customers, partners, and vendors. If we are not able to respond to and manage the impact of such events effectively and if the macroeconomic conditions of the general economy or the industries in which we operate do not improve, or worsen from present levels, our business, operating results, financial condition and cash flows could continue to be adversely affected.

Our quarterly results are unpredictable and subject to substantial fluctuations; as a result, we may fail to meet the expectations of securities analysts and investors. Our revenues and operating results may vary significantly from quarter-to-quarter due to a number of factors, many of which are outside of our control. If our quarterly financial results or our predictions of future financial results fail to meet the expectations of securities analysts and investors, the trading price of our securities could be negatively affected. Our operating results for prior periods may not be effective predictors of our future performance.

Factors associated with our industry, the operation of our business, and the markets for our products and services that may cause our quarterly results to fluctuate, include but are not limited to:

- unpredictable ordering patterns and limited visibility into our customers' spending plans and associated revenue;
- changes in our customer mix, the mix of products and services sold, and the geographies in which our products and services are sold;
- changes in the demand for our products and services, including seasonal fluctuations in customer spending;
- changing market and economic conditions;

- price and product competition;
- ineffective legal protection of our intellectual property rights in certain countries;
- how well we execute on our strategy and business model;
- financial stability of our customers, including the solvency of private sector customers, which may be impacted by the COVID-19 pandemic;
- statutory authority for government customers to purchase goods and services;
- executive orders, tariffs, changes in laws or regulations and accounting rules, or interpretations thereof;
- regional economic and political conditions which may be aggravated by unanticipated global events;
- disruptions in our business operations or target markets caused by, among other things, terrorism or other intentional acts, outbreaks of disease, such as the COVID-19 pandemic, or earthquakes, floods, or other natural disasters; and other unanticipated extraordinary externalities.

We believe that quarter-to-quarter comparisons of operating results are not necessarily a good indication of what our future performance will be. In some prior periods, our operating results have been below our guidance, our long-term financial model or the expectations of securities analysts or investors. This may happen again, and the price of our common stock may decline. In addition, our failure to pay quarterly dividends to our stockholders or the failure to meet our commitments to return capital to our stockholders could have a material adverse effect on our stock price.

We expect our gross margins and operating margins to vary over time. Our product and service gross margins are expected to vary, and may be adversely affected in the future by numerous factors, including, but not limited to, customer, vertical, product and geographic mix shifts, an increase or decrease in our software sales or services we provide, increased price competition in one or more of the markets in which we compete, modifications to our pricing strategy to gain footprint in markets or with customers, currency fluctuations that impact our costs or the cost of our products and services to our customers, increases in material, labor, logistics, warranty costs, or inventory carrying costs, excess product component or obsolescence charges from our contract manufacturers, issues with manufacturing or component availability, issues relating to the distribution of our products and provision of our services, quality or efficiencies, increased costs due to changes in component pricing or charges incurred due to inaccurately forecasting product demand, warranty related issues, the impact of tariffs, or our introduction of new products and enhancements, or entry into new markets with different pricing and cost structures. Failure to sustain or improve our gross margins reduces our profitability and may have a material adverse effect on our business and stock price.

We derive a material portion of our revenues from a limited number of our customers, and our customers compete in industries that continue to experience consolidation. A material portion of our net revenues, across each customer vertical, depends on sales to a limited number of customers. If such customers change their business requirements or focus, vendor selection, project prioritization, or purchasing behavior, or are parties to consolidation transactions, they may delay, suspend, reduce or cancel their purchases of our products or services and our business, financial condition, and results of operations may be adversely affected.

If we are unable to compete effectively, our business and financial results could be harmed. The markets that we serve are rapidly evolving and highly competitive and include a number of well-established companies. We also compete with other public and private companies that are developing competing technologies to our products. In addition, actual or speculated consolidation among competitors, or the acquisition by, or of, our partners and/or resellers by competitors can increase the competitive pressures faced by us as customers may delay spending decisions or not purchase our products at all. Our partners and resellers generally sell or resell competing products on a non-exclusive basis and consolidation could delay spending or require us to increase discounts to compete, which could also adversely affect our business. Several of our competitors have substantially greater resources and can offer a wider range of products and services for the overall network equipment market than we do. Other competitors have become more integrated, including through consolidation and vertical integration, and offer a broader range of products and services, which could make their solutions more attractive to our customers. Many of our competitors also sell networking products as bundled solutions with other IT products. If we are unable to compete effectively against existing or future competitors, we could experience a loss in market share and a reduction in revenues and/or be required to reduce prices, which could reduce our gross margins and materially and adversely affect our business, financial condition, and results of operations.

Fluctuating economic conditions make it difficult to predict revenues and gross margin for a particular period and a shortfall in revenues or increase in costs of production may harm our operating results. Our revenues and gross margin depend significantly on general economic conditions and the demand for products in the markets in which we compete. Economic weakness or uncertainty, customer financial difficulties, and constrained spending on network expansion and enterprise infrastructure have in the past resulted in, and may in the future result in, decreased revenues and earnings. Such factors could make it difficult to accurately forecast revenues and operating results and could negatively affect our ability to provide accurate forecasts to our contract manufacturers, manage our contract manufacturer relationships and other expenses and to make decisions about future investments. In addition, economic instability or uncertainty, continued turmoil in the

geopolitical environment in many parts of the world and other events beyond our control, such as the COVID-19 pandemic, have, and may continue to, put pressure on economic conditions, which has led and could lead, to reduced demand for our products, delays or reductions in network expansions or infrastructure projects, and/or higher costs of production. Future or continued economic weakness, failure of our customers and markets to recover from such weakness, customer financial difficulties, increases in costs of production, and reductions in spending on network maintenance and expansion could result in price concessions in certain markets or have a material adverse effect on demand for our products and consequently on our business, financial condition, and results of operations.

Our success depends upon our ability to effectively plan and manage our resources and restructure our business. Our ability to successfully offer our products and services in a rapidly evolving market requires an effective planning, forecasting, and management process to enable us to effectively scale and adjust our business and business models in response to fluctuating market opportunities and conditions. From time to time, we have increased investment in our business by increasing headcount, acquiring companies, and increasing our investment in research and development, sales and marketing, and other parts of our business. Conversely, in the last few years and in 2020, we have initiated restructuring plans to realign our workforce as a result of organizational and leadership changes which resulted in restructuring charges. Our ability to achieve the anticipated cost savings and other benefits from these initiatives is subject to many estimates and assumptions, which are subject to uncertainties. If our estimates and assumptions are incorrect or if we are unsuccessful at implementing changes, or if other unforeseen events occur, our business and results of operations could be adversely affected.

Integration of acquisitions or divestitures of businesses could disrupt our business and harm our financial condition and stock price and equity issued as consideration for acquisitions may dilute the ownership of our stockholders. We have made, and may continue to make, acquisitions in order to enhance our business and invest significant resources to integrate the businesses we acquire. The success of each acquisition depends in part on our ability to realize the business opportunities and manage numerous risks, including, but not limited to: problems combining the purchased operations, technologies or products, unanticipated costs, higher operating expenses, liabilities, litigation, diversion of management's time and attention, adverse effects on existing business relationships with suppliers and customers, risks associated with entering markets in which we have no or limited prior experience, and where competitors in such markets have stronger market positions, initial dependence on unfamiliar supply chains, failure of our due diligence processes to identify significant problems, liabilities or other challenges of an acquired company or technology, and the potential loss of key employees, customers, distributors, vendors, and other business partners of the companies we acquire.

There can be no assurance that we will be able to successfully integrate any businesses, products, technologies, or personnel that we might acquire or that the transaction will advance our business strategy, and we may not realize anticipated revenues or other benefits associated with our acquisitions. In addition, we have divested, and may in the future, divest businesses, product lines, or assets. These initiatives may also require significant separation activities that could result in the diversion of management's time and attention, loss of employees, substantial separation costs, and accounting charges for asset impairments.

In connection with certain acquisitions, we may agree to issue common stock, or assume equity awards, that dilute the ownership of our current stockholders, use a substantial portion of our cash resources, assume liabilities (both known and unknown), record goodwill and amortizable intangible assets as well as restructuring and other related expenses. We may incur additional acquisition-related debt, which could increase our leverage and potentially negatively affect our credit ratings resulting in more restrictive borrowing terms or increased borrowing costs thereby limiting our ability to borrow. Any of the foregoing, and other factors, could harm our ability to achieve anticipated levels of profitability or other financial benefits from our acquired or divested businesses, product lines or assets or to realize other anticipated benefits of divestitures or acquisitions.

Long sales and implementation cycles for our products and customer urgency related to ship dates to fill large orders may cause our revenues and operating results to vary significantly from quarter-to-quarter. We experience lengthy sales cycles because our customers' decisions to purchase certain of our products, particularly new products, involve a significant commitment of their resources and a lengthy evaluation and product qualification process. Customers design and implement large network deployments following lengthy procurement processes, which may impact expected future orders. Following a purchase, customers may also deploy our products slowly and deliberately. Customers with large networks often expand their networks in large increments on a periodic basis and place large orders on an irregular basis. These sales and implementation cycles, as well as our expectation that customers will place large orders with urgent ship dates, may cause our revenues and operating results to vary significantly from quarter-to-quarter.

Our ability to recognize revenue in a particular period is contingent on the timing of product orders and deliveries and/or our sales of certain software, subscriptions, and professional support and maintenance services. In some of our businesses, our quarterly sales have periodically reflected a pattern in which a disproportionate percentage of each quarter's total sales occurs towards the end of the quarter. Further, we build certain products only when orders are received. Since the volume of orders received late in any given fiscal quarter remains unpredictable, if orders for custom products are received late in any quarter, we may not be able to recognize revenue for these orders in the same period or meet our expected quarterly revenues.

Similarly, if we were to take actions to encourage customers to place orders or accept deliveries earlier than anticipated, our ability to meet our expected revenues in future quarters could be adversely affected. We also determine our operating expenses based on our anticipated revenues and technology roadmap and a high percentage of our expenses are fixed in the short and medium term. Any failure or delay in generating or recognizing revenue could cause significant variations in our operating results and operating margin from quarter-to-quarter.

In addition, services revenue accounts for a significant portion of our revenue, comprising 36%, 35%, and 33% of total revenue in fiscal years 2020, 2019, and 2018, respectively. We expect our sales of new or renewal professional services, support, and maintenance contracts to fluctuate due to end-customers' level of satisfaction with our products and services, the prices of our products and services or those offered by our competitors, and reductions in our end-customers' spending levels. We recognize professional services when delivered, and we recognize support and maintenance, and SaaS revenue periodically over the term of the relevant service period.

Further, we recognize certain software revenues periodically over the term of the relevant use or subscription periods and as a result, the related software and support and maintenance revenue we report each fiscal quarter is derived from the recognition of deferred revenue from contracts entered into during previous fiscal quarters. Any fluctuation in such new or renewed contracts in any one fiscal quarter may not be fully or immediately reflected in revenue and could negatively affect our revenue in future fiscal quarters.

RISKS RELATED TO OUR TECHNOLOGY AND BUSINESS OPERATIONS

If the demand for network and IP systems does not continue to grow, our business, financial condition, and results of operations could be adversely affected. A substantial portion of our business and revenues depends on the growth of secure IP infrastructure as well as customers that depend on the continued growth of IP services to deploy our products in their networks and IP infrastructures. As a result of changes in the economy, capital spending, or the building of network capacity in excess of demand (all of which, have in the past, particularly affected telecommunications service providers), spending on IP infrastructure can vary, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, a number of our existing customers are evaluating the build-out of their next generation networks. During the decision-making period when our customers are determining the design of those networks and the selection of the software and equipment they will use in those networks, such customers may greatly reduce or suspend their spending on secure IP infrastructure. Any reduction or suspension of spending on IP infrastructure is difficult to predict, and may be due to events beyond our control, such as the COVID-19 pandemic. This, in turn, can make it more difficult to accurately predict revenues from customers, can cause fluctuations in the level of spending by customers and, even where our products are ultimately selected, can have a material adverse effect on our business, financial condition, and results of operations.

If we do not successfully anticipate technological shifts, market needs and opportunities, we may not be able to compete effectively and our ability to generate revenues will suffer. If we are unable to anticipate future technological shifts, market needs, requirements or opportunities, or fail to develop and introduce new products, product enhancements or business strategies to meet those requirements or opportunities in a timely manner or at all, it could cause us to lose customers, substantially decrease or delay market acceptance and sales of our present and future products and services, and significantly harm our business, financial condition, and results of operations. In addition, if we invest in developing products for a market that does not develop, it could significantly harm our business, financial condition, and results of operations. Even if we are able to anticipate, develop, and commercially introduce new products, enhancements or business strategies, there can be no assurance that any new products, enhancements or business strategies will achieve widespread market acceptance.

Further, our strategy is to expand our software business. The success of our strategy is subject to a number of risks and uncertainties, including:

- the additional development efforts and costs required to create new software products and to make our disaggregated products compatible with multiple technologies;
- the possibility that our new software products or disaggregated products may not achieve widespread customer adoption;
- the possibility that our strategy could erode our revenue and gross margins;
- the impact on our financial results of longer periods of revenue recognition for certain types of software products and changes in tax treatment associated with software sales;

- the additional costs associated with regulatory compliance and changes we need to make to our distribution chain in connection with increased software sales;
- the ability of our disaggregated hardware and software products to operate independently and/or to integrate with current and future third-party products; and
- issues with third-party technologies used with our disaggregated products, which may be attributed to us.

If any of our new products or business strategies do not gain market acceptance or meet our expectations for growth, our ability to meet future financial targets may be adversely affected and our competitive position and our business and financial results could be harmed.

If our products do not interoperate with our customers' networks, installations will be delayed or cancelled and could harm our business. Our products are designed to interface with our customers' existing networks, each of which have different specifications and utilize multiple protocol standards and products from other vendors. Many of our customers' networks contain multiple generations of products that have been added over time as these networks have grown and evolved. Our products must interoperate with many or all of the products within these networks as well as future products to meet our customers' requirements. If we find errors in the existing software or defects in the hardware used in our customers' networks, we may need to modify our software or hardware to fix or overcome these errors so that our products will interoperate and scale with the existing software and hardware, which could be costly and could negatively affect our business, financial condition, and results of operations. In addition, if our products do not interoperate with those of our customers' networks, demand for our products could be adversely affected or orders for our products could be cancelled. This could hurt our operating results, damage our reputation, and seriously harm our business and prospects.

Our products incorporate and rely upon licensed third-party technology. We integrate licensed third-party technology into certain of our products. From time to time, we may be required to renegotiate our current third-party licenses or license additional technology from third parties to develop new products or product enhancements or to facilitate new business models. Third-party licenses may not be available or continue to be available to us on commercially reasonable terms and some of our agreements with our licensors may be terminated for convenience by them. In addition, we cannot be certain that our licensors are not infringing on the intellectual property rights of third parties or that our licensors have sufficient rights to the licensed intellectual property in all jurisdictions in which we may sell our products. Third-party technology we incorporate into our products that is deemed to infringe on the intellectual property of others may result, and in some cases has resulted, in limitations on our ability to source technology from those third parties, restrictions on our ability to sell products that incorporate the infringing technology, increased exposure to liability that we will be held responsible for incorporating the infringing technology in our products, and increased costs involved in removing that technology from our products or developing substitute technology. Our inability to comply with, maintain or re-license any third-party licenses required in our products or our inability to obtain third-party licenses necessary to develop new products and product enhancements, could require us to develop substitute technology or obtain substitute technology of lower quality or performance standards or at a greater cost, any of which could delay or prevent product shipment and harm our business, financial condition, and results of operations.

We may face difficulties enforcing our proprietary rights, which could adversely affect our ability to compete. We rely on a combination of patents, copyrights, trademarks, trade secret laws and contractual restrictions on disclosure of confidential and proprietary information, to protect our proprietary rights. Although we have been issued numerous patents and other patent applications are currently pending, there can be no assurance that any of our patent applications will result in issued patents with the scope of the claims we seek or that any of our patents or other proprietary rights will not be challenged, invalidated, infringed or circumvented or that our rights will, in fact, provide competitive advantages to us or protect our technology. If we cannot protect our intellectual property rights, we could incur costly product redesign efforts, discontinue certain product offerings and experience other competitive harm.

Unauthorized parties may also attempt to copy aspects of our products or obtain and use our proprietary information. We generally enter into confidentiality or license agreements with our employees, consultants, vendors, and customers, and generally limit access to and distribution of our proprietary information. However, we cannot assure you that we have entered into such agreements with all parties who may have or have had access to our confidential information or that these agreements will not be breached. We cannot guarantee that any of the measures we have taken will prevent misappropriation of our technology. We are also vulnerable to third parties who illegally distribute or sell counterfeit, stolen or unfit versions of our products, which has happened in the past and could happen in the future. Such sales could have a negative impact on our reputation and business.

In addition, the laws of some foreign countries may not protect our proprietary rights to the same extent as do the laws of the U.S. The outcome of any actions taken in these foreign countries may be different than if such actions were determined under the laws of the U.S. If we are unable to protect our proprietary rights, we may be at a competitive disadvantage to others who need not incur the substantial expense, time, and effort required to create innovative products that have enabled our success.

We depend on contract manufacturers and original design manufacturers as well as single-source and limited source suppliers. Our operations depend on our ability to anticipate our needs for components, products and services, as well as the ability of our manufacturers, original design manufacturers, and suppliers to deliver sufficient quantities of quality components, products and services at reasonable prices and in time for us to meet critical schedules for the delivery of our own products and services. Given the wide variety of solutions that we offer, the large and diverse distribution of our manufactures, and suppliers, and the long lead times required to manufacture, assemble and deliver certain products, problems could arise in production, planning and inventory management that could seriously harm our business. Any delay in our ability to produce and deliver our products could cause our customers to purchase alternative products from our competitors. In addition, our ongoing efforts to optimize the efficiency of our supply chain could cause supply disruptions and be more expensive, time-consuming and resource-intensive than expected. Other manufacturing and supply problems that we could face are described below.

- ***Manufacturing Issues.*** We may experience supply shortfalls or delays in shipping products to our customers if our manufacturers experience delays, disruptions, or quality control problems in their manufacturing operations, or if we have to change or add additional manufacturers or contract manufacturing locations. Although we have contracts with our manufacturers that include terms to protect us in the event of an early termination, we may not have adequate time to transition all of our manufacturing needs to an alternative manufacturer under comparable commercial terms in the event of an early termination. We have experienced in the past and may experience in the future an increase in the expected time required to manufacture our products or ship products, including delays due to the manufacturing restrictions, travel restrictions and shelter-in-place orders to control the spread of COVID-19. Moreover, a significant portion of our manufacturing is performed in China, Malaysia and other foreign countries and is therefore subject to risks associated with doing business outside of the U.S., including import tariffs, export restrictions, disruptions to our supply chain, pandemics, regional climate-related events, or regional conflicts.
- ***Single-Source Suppliers.*** We rely on single or limited sources for many of our components due to technology, availability, price, quality, scale or customization needs. In addition, there has been consolidation among certain suppliers of our components. Consolidation among suppliers can result in the reduction of the number of independent suppliers of components available to us, which could negatively impact our ability to access certain component parts or the prices we have to pay for such parts and may impact our gross margins. Additionally, if certain components that we receive from our suppliers have defects or other quality issues, we may have to replace or repair such components, and we could be subject to claims based on warranty, product liability, epidemic or delivery failures that could lead to significant expenses.
- ***Supply-chain Disruption.*** Any disruptions to our supply chain or significant increase in component costs could decrease our sales, earnings and liquidity or otherwise adversely affect our business and result in increased costs. Such a disruption could occur as a result of any number of events, including, but not limited to: an extended closure of or any slowdown at our supplier's plants or shipping delays due to efforts to limit the spread of COVID-19, increases in prices, the imposition of regulations, quotas or embargoes on components, labor stoppages, transportation delays or failures affecting the supply chain and shipment of materials and finished goods, third-party interference in the integrity of the products sourced through the supply chain, the unavailability of raw materials, severe weather conditions, adverse effects of climate change, natural disasters, geopolitical developments, war or terrorism and disruptions in utilities and other services. In addition, the development, licensing, or acquisition of new products in the future may increase the complexity of supply chain management. Failure to effectively manage the supply of components and products would adversely affect our business.
- ***Component Supply Forecast.*** We provide demand forecasts for our products to our manufacturers, who order components and plan capacity based on these forecasts. If we overestimate our requirements, our manufacturers may assess charges, or we may have liabilities for excess inventory, each of which could negatively affect our gross margins. If we underestimate our requirements, our contract manufacturers may have inadequate time, materials, and/or components required to produce our products. This could increase costs or delay or interrupt manufacturing of our products, resulting in delays in shipments and deferral or loss of revenues and could negatively impact customer satisfaction. Any future spike in growth in our business, in the use of certain components we share in common with other companies, in IT spending, or in the economy in general, is likely to create greater short-term pressure on us and our suppliers to accurately forecast overall component demand and to establish optimal component inventories. If shortages or delays persist, we may not be able to secure enough components at reasonable prices or of acceptable

quality to build and deliver products in a timely manner, and our revenues, gross margins and customer relationships could suffer.

- *Alternative Sources of Supply.* The development of alternate sources for components is time-consuming, difficult, and costly. In addition, the lead times associated with certain components are lengthy. For example, we have experienced extended lead times of up to 50 weeks on some semiconductor products, and we expect these extended lead times to continue for the foreseeable future, which may impact our production and delivery schedules. Also, long-term supply and maintenance obligations to customers increase the duration for which specific components are required, which may further increase the risk of component shortages or the cost of carrying inventory. In the event of a component shortage, supply interruption or significant price increase from these suppliers, we may not be able to develop alternate or second sources in a timely manner. If we are unable to buy these components in quantities sufficient to meet our requirements on a timely basis, we will not be able to deliver products and services to our customers, which would seriously affect present and future sales, and would, in turn, adversely affect our business, financial condition, and results of operations.
- *COVID-19 Impact.* Delays in production or in product deliveries due to the COVID-19 pandemic have adversely affected and may continue to adversely affect our business, financial condition, and results of operations. For example, during fiscal 2020, the COVID-19 pandemic caused us to experience supply constraints due to both constrained manufacturing capacity, particularly in China and Malaysia, as well as component parts shortages as our component vendors were also facing manufacturing challenges, and increased logistics costs due to air travel and transport restrictions that limited the availability of flights on which we ship our products. These challenges resulted in extended lead-times to our customers and had a negative impact on our ability to recognize associated revenue in each quarter. We continue to work with government authorities and implement safety measures to ensure that we are able to continue manufacturing and distributing our products during the COVID-19 pandemic. However, uncertainty resulting from the pandemic as well as the world-wide distribution of the vaccines for COVID-19 could result in an unforeseen disruption to our supply chain (for example, a closure of a key manufacturing or distribution facility or the inability of a key supplier or transportation supplier to source and transport materials) that could impact our operations.

System security risks, data protection breaches, and cyberattacks could compromise our and our customers' proprietary information, disrupt our internal operations and harm public perception of our products. In the ordinary course of business, we store sensitive data, including intellectual property, personal data, our proprietary business information and that of our employees, contractors, customers, suppliers, vendors, and other business partners on our networks. In addition, we store sensitive data through cloud-based services that may be hosted by third parties and in data center infrastructure maintained by third parties. Secure maintenance of this information is critical to our operations and business strategy. On an ongoing and regular basis, we have been, and expect to be, subject to cyberattacks and attempted intrusions on our networks and systems by a wide range of actors, including, but not limited to, nation states, criminal enterprises, terrorist organizations, and other organizations or individuals, as well as errors, wrongful conduct or malfeasance by employees and third-party service providers (collectively, "malicious parties"). The continued occurrence of high-profile data breaches provides evidence of an environment increasingly hostile to information security.

Despite our security measures, and those of our third-party vendors, our information technology and infrastructure have experienced breaches and may be subject to or vulnerable to breaches or attacks in the future. If any breach or attack compromises our networks or those of our vendors, creates system disruptions or slowdowns or exploits security vulnerabilities of our products, the information stored on our networks or the networks of our customers, suppliers or business partners could be accessed and modified, publicly disclosed, lost, destroyed or stolen, and we may be subject to claims for contractual, tort or equitable liability and suffer reputational and financial harm. In addition, malicious parties may compromise our manufacturing supply chain to embed malicious hardware, components and software that are designed to defeat or circumvent encryption and other cybersecurity measures to interfere with the operation of our networks, expose us or our products to cyberattacks, or gain unauthorized access to our or our customers' systems and information. If such actions are successful, they could diminish customer trust in our products, harm our business reputation, and adversely affect our business and financial condition. Because techniques used by malicious parties to access or sabotage networks change frequently and generally are not recognized until after they are used, we may be unable to anticipate or immediately detect these techniques or the vulnerabilities they have caused. Further, when vulnerabilities are discovered, we evaluate the risk, apply patches or take other remediation actions and notify customers, business partners, and suppliers as appropriate.

All of this requires significant resources and attention from management and our employees, and the economic costs to us to eliminate or alleviate these issues could be significant and may be difficult to anticipate or measure. The market perception of the effectiveness of our products and our overall reputation could also be harmed as a result of any actual or perceived breach of security that occurs in our network or in the network of a customer of our products, regardless of whether the breach is attributable to our products, the systems of other vendors and/or to actions of malicious parties. This could impede our sales,

manufacturing, distribution or other critical functions, which could have an adverse impact on our financial results. These risks to our systems may be increased during the COVID-19 pandemic as the health of our internal security team members who monitor and address cyber threats and attacks against us and our employees around the world is also at risk.

Additionally, we could be subject to measures that regulate the security of the types of products we sell, such as the California Internet of Things (IoT) security law (SB-327), which became enforceable in 2020. Such regulations may result in increased costs and delays in product releases and changes in features to achieve compliance which may impact customer demand for our products, and result in regulatory investigations, potential fines, and litigation in connection with a compliance concern, security breach or related issue, and potential liability to third parties arising from such breaches. Further, in response to actual or anticipated cybersecurity regulations or contractual security requirements negotiated with our customers, we may need to make changes to existing policies, processes and supplier relationships that could impact product offerings, release schedules and service response times, which could adversely affect the demand for and sales of our products and services. We maintain product liability insurance, but there is no guarantee that such insurance will be available or adequate to protect against all such claims. If our business liability insurance coverage is inadequate, or future coverage is unavailable on acceptable terms or at all, our financial condition and results of operations could be harmed.

Disruption in our distribution channels could seriously harm our future revenue and financial condition and increase our costs and expenses. The majority of our revenues are derived through value-added resellers and distributors, most of which also sell our competitors' products, and some of which sell their own competing products. The loss of or reduction in sales to our resellers or distributors could materially reduce our revenues. Our competitors may in some cases be effective in leveraging their market share positions or in providing incentives to current or potential resellers and distributors to favor their products or to prevent or reduce sales of our products. If we are unable to develop and maintain relationships with our partners, develop new relationships with value-added resellers and distributors in new markets, expand the number of distributors and resellers in existing markets, manage, train or motivate existing value-added resellers and distributors effectively, or if these partners are not successful in their sales efforts, sales of our products may decrease, and our business, financial condition, and results of operations would suffer. We recognize a portion of our revenues at the time we sell products to our distributors. If these sales are made based on inaccurate or untimely information, the amount or timing of our revenues could be adversely impacted. Further, our distributors may increase orders during periods of product shortages, cancel orders if their inventory is too high, or delay orders in anticipation of new products. They also may adjust their orders in response to the supply of our products and the products of our competitors that are available to them, and in response to seasonal fluctuations in end-user demand.

To develop and expand our distribution channel, we continue to offer attractive channel programs to potential partners and have previously entered into OEM agreements with partners to rebrand and resell our products as part of their product portfolios. These relationships require processes and procedures that may be costly or challenging to implement, maintain, and manage. Our failure to successfully manage and develop our distribution channel could adversely affect our ability to generate revenues from the sale of our products. We also depend on our global channel partners to comply with applicable legal and regulatory requirements. Any failure by our partners to comply with these requirements, could have a material adverse effect on our business, operating results, and financial condition.

We rely on the performance of our business systems and third-party systems and processes. Some of our business processes depend upon our IT systems, the systems and processes of and IT services provided by third parties, and the interfaces between the two. For example, IBM provides us with a broad range of information technology services, such as applications, including support, development and maintenance; infrastructure management and support, including for server storage and network devices, and end user support including service desk. These cloud providers, third party providers, and off-site facilities are vulnerable to damage, interruption, including performance problems from earthquakes, hurricanes, floods, fires, power loss, telecommunications failures, equipment failure, adverse events caused by operator error, cybersecurity attacks, pandemics, and similar events. In addition, because we lease off-site data center facilities, we cannot be assured that we will be able to expand our data center infrastructure to meet user demand in a timely manner, or on favorable economic terms. If we have issues receiving and processing data, this may delay our ability to provide products and services to our customers and business partners and damage our business. We also rely upon the performance of the systems and processes of our contract manufacturers to build and ship our products. If those systems and processes experience interruption or delay, our ability to build and ship our products in a timely manner may be harmed. Since IT is critical to our operations, in addition to the risks outlined above, problems with any of the third parties we rely on for our IT systems and services could result in liabilities to our customers and business partners, lower revenue and unexecuted efficiencies, and impact our results of operations and our stock price. We could also face significant additional costs or business disruption if our arrangements with these third parties are terminated or impaired and we cannot find alternative services or support on commercially reasonable terms or on a timely basis or if we are unable to hire new employees in order to provide these services in-house.

Our ability to develop, market, and sell products could be harmed if we are unable to retain or hire key personnel or if our existing personnel were harmed by COVID-19. Our future success and ability to maintain a technology leadership position depends upon our ability to recruit and retain key management, engineering, technical, sales and marketing, and support

personnel as well as to maintain the health of our personnel during a pandemic, including the COVID-19 pandemic. The supply of highly qualified individuals with technological and creative skills, in particular engineers, in specialized areas with the expertise to develop new products and enhancements for our current products, and provide reliable product maintenance, as well as the number of salespeople with industry expertise, is limited. Competition for people with the specialized technical skills we require is significant. None of our officers or key employees is bound by an employment agreement for any specific term. If we fail to attract new personnel or retain and motivate our current personnel, the development and introduction of new products could be delayed, our ability to market, sell, or support our products could be impaired, and our business, results of operations and future growth prospects could suffer. There can be no assurance that others will not develop technologies that are similar or superior to our technology.

A number of our team members are foreign nationals who rely on visas and entry permits in order to legally work in the U.S. and other countries. In recent years, the U.S. has increased the level of scrutiny in granting H-1B, L-1 and other business visas. Compliance with new and unexpected U.S. immigration and labor laws could also require us to incur additional unexpected labor costs and expenses or could restrain our ability to retain and attract skilled professionals. Additionally, pandemics, such as the COVID-19 pandemic, may interfere with our ability to hire or retain personnel. Any of these restrictions could have a material adverse effect on our business, results of operations and financial conditions.

LEGAL, REGULATORY, AND COMPLIANCE RISKS

We are a party to lawsuits, investigations, and other disputes. We have been named a party to litigation involving employment matters, commercial transactions, patent infringement, copyrights, trademarks, and other rights to technologies and related standards that are relevant to our products, as well as governmental claims, and securities laws, and we may be named in additional litigation. For example, certain U.S. governmental agencies previously conducted investigations into possible violations by us of the U.S. Foreign Corrupt Practices Act, or the FCPA, which ultimately resulted in the Company entering into a settlement with the SEC that involved making a payment of \$11.8 million in August 2019. The asserted claims and/or initiated litigation may include claims against us or our manufacturers, suppliers, partners, or customers, alleging that our products or services infringe proprietary rights. The expense of initiating and defending, and in some cases settling, such litigation and investigations may be costly, and may cause us to suffer reputational harm, divert management's attention from day-to-day operations of our business, and may require us to implement certain remedial measures that could disrupt our business and operations. In addition, if we fail to comply with the terms of any settlement agreement, we could face more substantial penalties. An unfavorable resolution of one or more of these matters could have a material adverse effect on our business, results of operations, financial condition or cash flows.

Further, increased patent litigation brought by non-practicing entities may result, and in some cases has resulted, in our customers requesting or requiring us to absorb a portion of the costs of such litigation or providing broader indemnification for litigation, each of which could increase our expenses and negatively affect our business, financial condition, and results of operations. Regardless of the merit of these claims, they may require us to develop non-infringing technologies, enter into license agreements, or cease engaging in certain activities or offering certain products or services. Furthermore, even arguably unmeritorious claims may be settled at significant costs to us because of the potential for high awards of damages or injunctive relief.

If any infringement or other intellectual property claim made against us or anyone we are required to indemnify is successful and we are required to pay significant monetary awards or damages to settle litigation, enter into royalty or licensing arrangements, or satisfy indemnification obligations that we have with some of our customers, or we fail to develop non-infringing technology and we incorporate infringing technology in our products, our business, financial condition, and results of operations could be materially and adversely affected.

In addition, increased patent litigation brought against customers in recent years, may result, and in some cases has resulted, in customers requesting or requiring vendors to absorb a portion of the costs of such litigation or providing broader indemnification for litigation, each of which could increase our expenses and negatively affect our business, financial condition, and results of operations.

Non-standard contract terms with telecommunications, cable and cloud service provider companies and other large customers, could have an adverse effect on our business or impact the amount of revenues to be recognized. Telecommunications, cable and cloud service provider companies, and other large companies, generally have greater purchasing power than smaller entities and often request and receive more favorable terms from suppliers. We may be required to agree to such terms and conditions, which may include terms that affect the timing of or our ability to recognize revenue, increase our costs, and have an adverse effect on our business, financial condition, and results of operations. Consolidation among such large customers can further increase their buying power and ability to require onerous terms from us.

In addition, other vendors may have promised but failed to deliver certain functionality to these types of customers and/or had products that caused problems or outages in their networks. As a result, these customers may request additional features from us and require substantial penalties for failure to deliver such features or for any network outages that may or may not have been caused by our products. If we are required to agree to these requests or incur penalties, the amount of revenue recognized from such sales may be negatively impacted and as a result, may negatively affect our business, financial condition and results of operations.

Regulation of our industry or those of our customers could harm our operating results and future prospects. We are subject to laws and regulations affecting the sale of our products in a number of areas. For example, some governments have regulations prohibiting government entities from purchasing security products that do not meet country-specific safety, conformance or security certification criteria or in-country test requirements. Other regulations that may negatively impact our business include local content or local manufacturing requirements most commonly applicable for government, state-owned enterprise or regulated industry procurements. These types of regulations are in effect or under consideration in several jurisdictions where we do business.

The SEC requires us, as a public company who uses certain raw materials that are considered to be “conflict minerals” in our products, to report publicly on the extent to which “conflict minerals” are in our supply chain. As a provider of hardware end-products, we are several steps removed from the mining, smelting or refining of any conflict minerals. Accordingly, our ability to determine with certainty the origin and chain of custody of these raw materials is limited. Our relationships with customers and suppliers could suffer if we are unable to describe our products as “conflict-free.” We may also face increased costs in complying with conflict minerals disclosure requirements.

Environmental laws and regulations relevant to electronic equipment manufacturing or operations, including laws and regulations governing the hazardous material content of our products and the collection of and recycling of electrical and electronic equipment, may adversely impact our business and financial condition. In particular, we face increasing complexity in our product design and procurement operations as we adjust to new and future requirements relating to the chemical and material composition of our products, their safe use, the energy consumption associated with those products, climate change laws, and regulations and product take-back legislation, which could require us to cease selling non-compliant products and to reengineer our products to use compliant components which could result in additional costs to us, disrupt our operations, and result in an adverse impact on our operating results. If we were to violate or become liable under environmental laws or if our products become non-compliant with environmental laws, our customers may refuse to purchase our products and we could incur substantial costs or face other sanctions, which may include restrictions on our products entering certain jurisdictions. The amount and timing of costs to comply with environmental laws are difficult to predict.

In addition, as a contractor and subcontractor to the U.S. government, we are subject to federal regulations pertaining to our IT systems that requires compliance with certain security and privacy controls. Failure to comply with these requirements could result in a loss of federal government business, subject us to claims or other remedies for non-compliance, or negatively impact our business, financial condition, and results of operations.

Moreover, our customers in the telecommunications industry may be subject to regulations and our business and financial condition could be adversely affected by changes in such regulations affecting our customers. Further, we could be affected by new laws or regulations on access to or commerce on IP networks in jurisdictions where we market our solutions. Regulations governing the range of services and business models that can be offered by service providers or cloud provider companies could adversely affect those customers' needs for products. Also, many jurisdictions are evaluating or implementing regulations relating to cybersecurity, supply chain integrity, privacy and data protection, any of which can affect the market and requirements for networking and security equipment.

The adoption and implementation of additional regulations could reduce demand for our products, increase the cost of building and selling our products, result in product inventory write-offs, impact our ability to ship products into affected areas and recognize revenue in a timely manner, require us to spend significant time and expense to comply with, and subject us to fines and civil or criminal sanctions or claims if we were to violate or become liable under such regulations. Any of these impacts could have a material adverse effect on our business, financial condition, and results of operations.

Governmental regulations and economic sanctions affecting the import or export of products or affecting products containing encryption capabilities could negatively affect our revenues and operating results. The U.S. and other governments have imposed restrictions on the import and export of, among other things, certain telecommunications products and components, particularly those that contain or use encryption technology. Most of our products are telecommunications products and contain or use encryption technology and, consequently, are subject to restrictions. The scope, nature, and severity of such controls vary widely across different countries and may change frequently over time.

In many cases, these government restrictions require a license prior to importing or exporting a good. Such licensing requirements can introduce delays into our operations as we must apply for the license and wait for government officials to process it; it is possible that lengthy delays will lead to the cancellation of orders by customers. Moreover, if we fail to obtain necessary licenses prior to importing or exporting covered goods, we can be subject to government sanctions, including monetary penalties. Government restrictions on the import or export of technology can restrict our ability to manufacture and sell our products, which can affect negatively our revenues and operating results.

In addition, the U.S. and other governments have especially broad sanctions and embargoes prohibiting provision of goods or services to certain countries, territories, sanctioned governments, businesses, and individuals. Some of these restrictions have been imposed not just to protect national security but also to protect domestic industries and to achieve political aims. We have implemented systems to detect and prevent sales into restricted countries or to prohibited entities or individuals, but there can be no assurance that our third party, downstream resellers and distributors will abide by these restrictions or have processes in place to ensure compliance.

Certain governments also impose special local content, certification, testing, source code review, escrow and governmental recovery of private encryption keys, or other cybersecurity feature requirements to protect network equipment and software procured by or for the government. Similar requirements also may be imposed in procurements by state owned entities or even private companies forming part of “critical network infrastructure” or supporting sensitive industries.

In recent years, U.S. government officials have had concerns with the security of products and services from certain telecommunications and video providers based in China, Russia, and other regions. As a result, Congress has enacted bans on the use of certain Chinese-origin components or systems either in items sold to the U.S. government or in the internal networks of government contractors and subcontractors (even if those networks are not used for government-related projects). The U.S. government also has been considering policies that would limit the ability of businesses to acquire certain goods and services from entities with geographic connections to China, Russia, and other untrusted nation-states, including subjecting such acquisitions to government review. Such proposals, if implemented, could introduce significant uncertainty into our supply chain and overall operational planning as we would not be certain which potential acquisitions and transactions the government would permit and which it would reject.

In addition, governments sometimes impose additional taxes on certain imported products. For example, the U.S. and Chinese governments each have imposed tariffs on certain products, including information and communication technology products originating from the other country, which resulted in a large portion of our products manufactured in China becoming subject to tariffs on importation into the U.S. Depending upon their duration and implementation, as well as our ability to mitigate their impact, these tariffs could materially affect our business, including in the form of increased cost of goods sold, increased pricing for customers, and reduced sales.

Governmental regulation of our IP networking, encryption technology and imports or exports, or our failure to obtain required import or export approval for our products, or related economic sanctions could harm our international and domestic sales and adversely affect our revenues and operating results. In addition, failure to comply with such regulations could result in harm to our reputation and ability to compete in international markets, penalties, costs, seizure of assets (including source code) and restrictions on import or export privileges or adversely affect sales to government agencies or government-funded projects.

Our actual or perceived failure to adequately protect personal data could adversely affect our business, financial condition, and results of operations. A wide variety of provincial, state, national, foreign, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal data. These privacy and data protection-related laws and regulations are evolving, extensive, and complex. Compliance with these laws and regulations can be costly and can delay or impede the development and offering of new products and services. In addition, the interpretation and application of privacy and data protection-related laws in some cases is uncertain, and our legal and regulatory obligations are subject to frequent changes, including the potential for various regulator or other governmental bodies to enact new or additional laws or regulations, to issue rulings that invalidate prior laws or regulations, or to increase penalties. Examples of recent and anticipated developments that have or could impact our business include the following:

- The General Data Protection Regulation, which became effective in May 2018, imposes stringent data protection requirements and provides significant penalties for noncompliance. We have relied on the use of model contractual clauses approved by the E.U. Commission to legitimize the transfer of personal data outside of the E.U. to certain jurisdictions, including the United States. The model contractual clauses have been subject to legal challenge. In relation to the recent “Schrems II” decision by the Court of Justice of the European Union and its impact on our data transfer mechanism, we may experience additional costs associated with increased compliance burdens and new contract negotiations with third parties that aid in processing of data on our behalf. We may face reluctance or resistance by our current and prospective customers to use our products and services. Further, we may find it necessary to make further changes to our handling of personal data of residents of the European Economic Area (“EEA”). The

regulatory environment applicable to the handling of EEA residents' personal data, and our actions in addressing such environment, may cause us to assume additional liabilities or incur additional costs and could result in our business, operating results and financial condition being harmed. In addition, both we and our customers may face a risk of enforcement actions by data protection authorities in the EEA relating to personal data transfers to us and by us from the EEA. Any such enforcement actions could result in substantial costs and diversion of resources, distract management and technical personnel, and negatively affect our business, operating results, and financial condition.

- On January 31, 2020, the United Kingdom ("U.K.") withdrew from the European Union ("EU"), commonly referred to as "Brexit". There is significant uncertainty related to how data flows in and out of the U.K. will be affected if the U.K. does not receive an adequacy decision in the next six months. We may experience additional costs associated with increased compliance burdens and new contract negotiations with third parties depending on the outcome of the adequacy discussions.
- Data protection legislation is also becoming increasingly common in the U.S. at both the federal and state level. The California Consumer Privacy Act ("CCPA"), which became effective and enforceable in 2020 requires, among other things, covered companies to provide new disclosures to California consumers regarding the use of personal information, gives California residents expanded rights to access their personal information and allows such consumers new abilities to opt-out of certain sales of personal information. The effects of the CCPA and other similar laws may require us to modify our data processing practices and policies, adapt our goods and services, and incur substantial costs and expenses to comply. The CCPA also provides for civil penalties for violations and a private right of action for data breaches that may increase the frequency and cost associated with data breach litigation. Further, the new California Privacy Rights Act ("CPRA") which was passed in November 2020, significantly modifies the CCPA. These modifications may result in additional uncertainty and require us to incur additional costs and expenses in our effort to comply.
- The Federal Trade Commission and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination, and security of data. In addition, we may be or become subject to data localization laws mandating that data collected in a foreign country be processed and stored within that country.
- Both U.S. and non-U.S. governments are considering regulating artificial intelligence and machine learning, which may impact our products and services and cause us to incur costs and expenses in order to comply.

Our actual or perceived failure to comply with applicable laws and regulations or other obligations to which we may be subject relating to personal data, or to protect personal data from unauthorized access, use, or other processing, could result in enforcement actions and regulatory investigations against us, claims for damages by customers and other affected individuals, fines, damage to our reputation, and loss of goodwill, any of which could have a material adverse effect on our operations, financial performance, and business. Further, evolving and changing definitions of personal data and personal information, within the EU, the U.S., U.K., and elsewhere, including the classification of IP addresses, machine identification information, location data, and other information, may limit or inhibit our ability to operate or expand our business, including limiting business relationships and partnerships that may involve the sharing or uses of data, and may require significant costs, resources, and efforts in order to comply.

FINANCIAL RISKS

Our financial condition and results of operations could suffer if there is an impairment of goodwill or purchased intangible assets. As of December 31, 2020, our goodwill was \$3,669.6 million, and our purchased intangible assets were \$266.7 million. We are required to test intangible assets with indefinite lives, including goodwill, annually or, in certain instances, more frequently, and may be required to record impairment charges, which would reduce any earnings or increase any loss for the period in which the impairment was determined to have occurred. Our goodwill impairment analysis is sensitive to changes in key assumptions used in our analysis. If the assumptions used in our analysis are not realized, it is possible that an impairment charge may need to be recorded in the future. We cannot accurately predict the amount and timing of any impairment of goodwill or other intangible assets. However, any such impairment would have an adverse effect on our results of operations.

Changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our results. Our future effective tax rates and the amount of our taxable income could be subject to volatility or adversely affected by the following: earnings being lower than anticipated in countries where we have lower statutory rates and higher than anticipated earnings in countries where we have higher statutory rates; changes in the valuation of our deferred tax assets and liabilities; expiration of, or lapses in, the R&D tax credit laws applicable to us; transfer pricing adjustments related to certain acquisitions, including the license of acquired intangibles under our intercompany R&D cost sharing

arrangement; costs related to intercompany restructuring; tax effects of share-based compensation; challenges to our methodologies for valuing developed technology or intercompany arrangements; limitations on the deductibility of net interest expense; or changes in tax laws, regulations, accounting principles, or interpretations thereof. In addition, the Tax Act made significant changes to the taxation of U.S. business entities, which included a reduction to the federal corporate income tax rate, the current taxation of certain foreign earnings, the imposition of base-erosion prevention measures which may limit the deduction of certain transfer pricing payments, and possible limitations on the deductibility of net interest expense or corporate debt obligations. Our future effective tax rate may be impacted by changes in interpretation of the regulations, as well as additional legislation and guidance regarding the Tax Act.

Furthermore, in October 2015, the Organisation for Economic Co-operation and Development, an international association of 37 countries including the U.S., published final proposals under its Base Erosion and Profit Shifting, or BEPS, Action Plan. The BEPS Action Plan includes fifteen Actions to address BEPS in a comprehensive manner and represents a significant change to the international corporate tax landscape. These proposals, as adopted by countries, may increase tax uncertainty and adversely affect our provision for income taxes.

In addition, we are generally subject to the continuous examination of our income tax returns by the Internal Revenue Service, and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes, but the determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods for which such determination is made.

We are subject to risks arising from our international operations, which may adversely affect our business, financial condition, and results of operations. We derive a substantial portion of our revenues from our international operations, and we plan to continue expanding our business in international markets. We conduct significant sales and customer support operations directly and indirectly through our distributors and value-added resellers in countries throughout the world and depend on the operations of our contract manufacturers and suppliers that are located outside of the U.S. In addition, a portion of our R&D and our general and administrative operations are conducted outside the U.S. As a result of our international operations, we are affected by economic, business regulatory, social, and political conditions in foreign countries, including the following:

- changes in general IT spending;
- the impact of the recent COVID-19 pandemic, and any other adverse public health developments, epidemic disease or other pandemic in the countries in which we operate or where our customers are located;
- the imposition of government controls, inclusive of critical infrastructure protection;
- changes in trade controls, economic sanctions, or other international trade regulations, which may affect our ability to import or export our products to or from various countries;
- laws that restrict sales of products that are developed, manufactured, or incorporate components or assemblies from certain countries to specific customers (e.g., U.S. federal government departments and agencies) and industry segments, or for particular uses or more generally;
- varying and potentially conflicting laws and regulations, changes in laws and interpretation of laws, misappropriation of intellectual property and reduced intellectual property protection;
- political uncertainty, including demonstrations, that could have an impact on product delivery;
- fluctuations in local economies;
- fluctuations in currency exchange rates (see Quantitative and Qualitative Disclosures about Market Risk for more information);
- tax policies, treaties or laws that could have an unfavorable business impact;
- the negotiation and implementation of free trade agreements between the U.S. and other nations;

- data privacy rules and other regulations that affect cross border data flow; and
- theft or unauthorized use or publication of our intellectual property and other confidential business information.

Any or all of these factors has or could have an adverse impact on our business, financial condition, and results of operations.

In addition, the medium and long term consequences of Brexit for the economies of the U.K. and EU member states as a result of the U.K.'s withdrawal from the EU remain unknown and unpredictable. We conduct business in the EU and the U.K. As a consequence, any one or more medium and longer term effects of Brexit, including those affecting labor policies, financial planning, product manufacturing, product distribution, and those effects we cannot anticipate, could have a material adverse effect on our business, business opportunities, operating results, financial condition, and cash flows if we are unable to anticipate and adequately address these risks.

Moreover, local laws and customs in many countries differ significantly from or conflict with those in the U.S. or in other countries in which we operate. In many foreign countries, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U.S. regulations applicable to us. There can be no assurance that our employees, contractors, channel partners, and agents will not take actions in violation of our policies and procedures, which are designed to ensure compliance with U.S. and foreign laws and policies. Violations of laws or key control policies by our employees, contractors, channel partners, or agents could result in termination of our relationship, financial reporting problems, fines, and/or penalties for us, or prohibition on the importation or exportation of our products and could have a material adverse effect on our business, financial condition and results of operations.

There are risks associated with our outstanding and future indebtedness. As of December 31, 2020, we had \$2,123.8 million in aggregate principal amount of senior notes, which we refer to collectively as (the "Notes"). In April 2019, we entered into a credit agreement (the "Credit Agreement") with certain institutional lenders that provides for a five-year \$500.0 million unsecured revolving credit facility (the "Revolving Credit Facility").

We may not be able to generate sufficient cash flow to enable us to satisfy our expenses, make anticipated capital expenditures or service our indebtedness, including the Notes. Our ability to pay our expenses, satisfy our debt obligations, refinance our debt obligations and fund planned capital expenditures is dependent upon our future performance and other factors discussed in this section. However, there can be no assurance that we will be able to manage any of these risks successfully.

The indenture that governs the Notes contains various covenants that limit our ability and the ability of our subsidiaries to, among other things: incur liens, incur sale and leaseback transactions, and consolidate or merge with or into, or sell substantially all of our assets to another person. Further, the Credit Agreement contains two financial covenants along with customary affirmative and negative covenants that include the following:

- maintenance of a leverage ratio no greater than 3.0x (provided that if a material acquisition has been consummated, we are permitted to maintain a leverage ratio no greater than 3.5x for up to four quarters) and an interest coverage ratio no less than 3.0x; and
- covenants that limit or restrict the ability of the Company and its subsidiaries to, among other things, grant liens, merge or consolidate, dispose of all or substantially all of its assets, change their accounting or reporting policies, change their business and incur subsidiary indebtedness, in each case subject to customary exceptions for a credit facility of this size and type.

As a result of these covenants, we are limited in the manner in which we can conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. Accordingly, these restrictions may limit our ability to successfully operate our business. In addition, under applicable U.S. tax laws and regulations, there are limitations on the deductibility of net business interest expenses. As a result, if our taxable income were to decline, we may not be able to fully deduct our net interest expense, which could have a material impact on our business.

Further, we receive debt ratings from the major credit rating agencies in the U.S. Factors that influence our credit ratings include financial strength as well as transparency with rating agencies and timeliness of financial reporting. There can be no assurance that we will be able to maintain our credit ratings and failure to do so could adversely affect our cost of funds and related margins, liquidity, competitive position and access to capital markets.

Our investments are subject to risks, which may cause losses and affect the liquidity of these investments. We have substantial investments in asset-backed securities, certificates of deposit, commercial paper, corporate debt securities, foreign government debt securities, money market funds, mutual funds, time deposits, U.S. government agency securities, and U.S.

government securities. We also have investments in privately-held companies. Certain of our investments are subject to general credit, liquidity, market, sovereign debt, and interest rate risks. Our future investment income may fall short of expectations due to changes in interest rates or if the decline in fair value related to creditworthiness of our publicly traded debt investments is judged to be material. In addition, should financial market conditions worsen in the future, investments in some financial instruments may be subject to risks arising from market liquidity and credit concerns, which could have a material adverse effect on our liquidity, financial condition, and results of operations.

Changes in the method of determining the London Interbank Offered Rate, or LIBOR, or the replacement of LIBOR with an alternative reference rate, may adversely affect our current or future indebtedness. Certain of our financial obligations and instruments, including our Revolving Credit Facility, accounts receivable finance programs, and floating rate notes that we have invested in, as well as interest rate derivatives that we use as fair value and cash flow hedges, are or may be made at variable interest rates that use LIBOR (or metrics derived from or related to LIBOR) as a benchmark for establishing the interest rate. In 2017, the United Kingdom's Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. If LIBOR ceases to exist, we may need to renegotiate our debt arrangements that extend beyond 2021 that utilize LIBOR as a factor in determining the interest rate, which may negatively impact the terms of such indebtedness. Changes in market interest rates may influence our financing costs, returns on financial investments and the valuation of derivative contracts and could reduce our earnings and cash flows. In addition, the overall financial markets may be disrupted as a result of the phase out or replacement of LIBOR. Disruption in the financial markets could have an adverse effect on our financial position, results of operations, cash flows, and liquidity.

GENERAL RISK FACTORS

Failing to adequately evolve our financial and managerial control and reporting systems and processes, or any weaknesses in our internal controls may adversely affect investor perception, and our stock price. We will need to continue to improve our financial and managerial control and our reporting systems and procedures to manage and grow our business effectively in the future. We are required to assess the effectiveness of our internal control over financial reporting annually and to disclose in our filing if such controls were unable to provide assurance that a material error would be prevented or detected in a timely manner. If in the future, our internal controls over financial reporting are determined to not be effective, resulting in a material weakness, investor perceptions regarding the reliability of our financial statements may be adversely affected which could cause a decline in the market price of our stock and otherwise negatively affect our liquidity and financial condition.

Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum. Our amended and restated bylaws provide that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if the Court of Chancery does not have jurisdiction, the U.S. District Court for the District of Delaware) is the sole and exclusive forum for certain actions and proceedings as specified in our bylaws. The exclusive forum provisions in our bylaws may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our current or former directors, officers, or other employees, which may discourage such lawsuits against us and our current or former directors, officers, and other employees. Alternatively, if a court were to find the exclusive forum provisions contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material and adverse impact on our business.

ITEM 1B. Unresolved Staff Comments

Not applicable.

ITEM 2. Properties

Our corporate headquarters is located on 80 acres of owned land in Sunnyvale, California and includes approximately 0.7 million square feet of owned buildings.

In addition, we lease space (including offices and other facilities) in various locations throughout the United States, Canada, South America, EMEA, and APAC regions, including offices in Australia, China, Hong Kong, India, Ireland, Israel, Japan, the Netherlands, Russia, United Arab Emirates, and the United Kingdom. As of December 31, 2020, we leased approximately 1.7 million square feet worldwide, with approximately 36% in North America. The respective operating leases expire at various times through May 2031. Each leased facility is subject to an individual lease or sublease, which could provide various options to renew/terminate the agreement or to expand/contract the leased space. We believe that our current offices and other facilities are in good condition and appropriately support our current business needs. We may improve, replace or reduce facilities as considered appropriate to meet the needs of our operations.

For additional information regarding obligations under our leases, see Note 15, *Commitments and Contingencies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report. For additional information regarding properties by geographic region, see Note 12, *Segments*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report.

ITEM 3. *Legal Proceedings*

The information set forth under the heading “Legal Proceedings” in Note 15, *Commitments and Contingencies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report, is incorporated herein by reference.

ITEM 4. *Mine Safety Disclosures*

Not applicable.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The principal market in which our common stock is traded is the New York Stock Exchange, or NYSE, under the symbol JNPR.

Stockholders

As of February 10, 2021, there were 599 stockholders of record of our common stock and we believe a substantially greater number of beneficial owners who hold shares through brokers, banks or other nominees.

Dividends

We paid cash dividends of \$0.20 per share each quarter, totaling \$264.1 million during the year ended December 31, 2020. In January 2021, we declared a quarterly cash dividend of \$0.20 per share of common stock to be paid on March 22, 2021 to stockholders of record as of the close of business on March 1, 2021. The declaration and amount of any future cash dividends are at the discretion of the Board of Directors and will depend on our financial performance, economic outlook, and any other relevant considerations.

Unregistered Securities Issued

On November 30, 2020, we issued 823,310 shares of our common stock as consideration to eight individuals in connection with the 128 Technology acquisition in the fourth quarter of 2020.

The issuance of the above securities was exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon Section 4(a)(2) of the Securities Act as transactions by an issuer not involving any public offering and/or the private offering safe harbor provision of Rule 506 of Regulation D promulgated under the Securities Act.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides stock repurchase activity during the three months ended December 31, 2020 (in millions, except per share amounts):

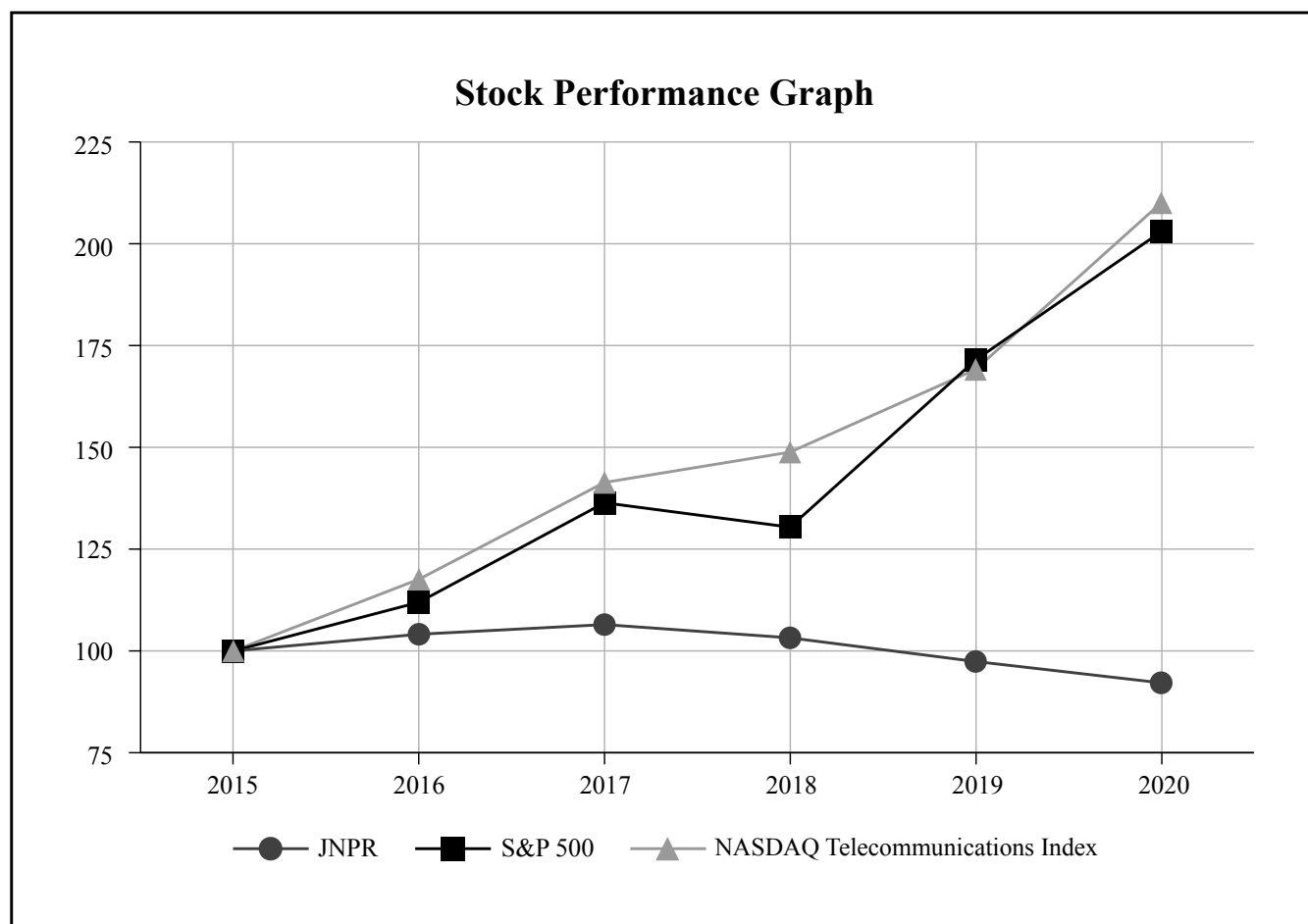
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ^(*)	Maximum Dollar Value of Shares that May Still Be Purchased Under the Plans or Programs ^(*)
October 1 - October 31, 2020	—	\$ —	—	\$ 1,400.0
November 1 - November 30, 2020	—	\$ —	—	\$ 1,400.0
December 1 - December 31, 2020	3.4	\$ 21.83	3.4	\$ 1,325.0
Total	3.4		3.4	

(*) Shares were repurchased during the periods set forth in the table above under our stock repurchase program, which had been approved by the Board and authorized us to purchase an aggregate of up to \$3.0 billion of our common stock. Future share repurchases under our capital return plan will be subject to a review of the circumstances in place at that time and will be made from time to time in private transactions or open market purchases as permitted by securities laws and other legal requirements. This program may be discontinued at any time. For the majority of restricted stock units granted to executive officers of the Company, the number of shares issued on the date the restricted stock units vest is net of shares withheld to meet applicable tax withholding requirements. Although these withheld shares are not issued or considered common stock repurchases under our stock repurchase program and therefore are not included in the preceding table, they are treated as common stock repurchases in our financial statements as they reduce the number of shares that would have been issued upon vesting, see Note 10, *Equity*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report.

Company Stock Performance

The information contained in this Company Stock Performance section shall not be deemed to be incorporated by reference into other U.S. Securities and Exchange Commission, or SEC, filings; nor deemed to be soliciting material or filed with the Commission or subject to Regulation 14A or 14C or subject to Section 18 of the Exchange Act. The comparisons in the performance graph below are based upon historical data and are not indicative of, or intended to forecast, future performance of our common stock.

The performance graph below shows the cumulative total stockholder return over a five-year period assuming the investment of \$100 on December 31, 2015, in each of Juniper Networks' common stock, the Standard & Poor's 500 Stock Index ("S&P 500"), and the NASDAQ Telecommunications Index. Total stockholder return assumes reinvestment of all dividends.



	As of December 31,					
	2015	2016	2017	2018	2019	2020
JNPR	\$ 100.00	\$ 104.09	\$ 106.46	\$ 103.21	\$ 97.40	\$ 92.16
S&P 500	\$ 100.00	\$ 111.95	\$ 136.38	\$ 130.39	\$ 171.44	\$ 202.96
NASDAQ Telecommunications Index	\$ 100.00	\$ 117.59	\$ 141.37	\$ 148.82	\$ 169.12	\$ 210.04

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read with the Business in Item 1 of Part I and the Consolidated Financial Statements and the related notes in Item 8 of Part II of this Report.

The following discussion is based upon our Consolidated Financial Statements included elsewhere in this Report, which have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. In the course of operating our business, we routinely make decisions as to the timing of the payment of invoices, the collection of receivables, the manufacturing and shipment of products, the fulfillment of orders, the purchase of supplies, and the building of inventory and spare parts, among other matters. In making these decisions, we consider various factors including contractual obligations, customer satisfaction, competition, internal and external financial targets and expectations, and financial planning objectives. Each of these decisions has some impact on the financial results for any given period. For further information about our critical accounting policies and estimates, see “Critical Accounting Policies and Estimates” section included in this “Management's Discussion and Analysis of Financial Condition and Results of Operations.”

To aid in understanding our operating results for the periods covered by this Report, we have provided an executive overview, which includes a summary of our business and market environment along with a financial results and key performance metrics overview. These sections should be read in conjunction with the more detailed discussion and analysis of our consolidated financial condition and results of operations in this Item 7, our “Risk Factors” section included in Item 1A of Part I, and our Consolidated Financial Statements and notes thereto included in Item 8 of Part II of this Report.

Executive Overview

Financial Results and Key Performance Metrics Overview

The following table provides an overview of our financial results and key financial metrics (in millions, except per share amounts, percentages, and days sales outstanding, or DSO):

	As of and for the Years Ended December 31,			
	2020	2019	\$ Change	% Change
Net revenues	\$ 4,445.1	\$ 4,445.4	\$ (0.3)	— %
Gross margin	\$ 2,573.7	\$ 2,616.8	\$ (43.1)	(2)%
Percentage of net revenues	57.9 %	58.9 %		
Operating income	\$ 353.1	\$ 442.2	\$ (89.1)	(20)%
Percentage of net revenues	7.9 %	9.9 %		
Net income	\$ 257.8	\$ 345.0	\$ (87.2)	(25)%
Percentage of net revenues	5.8 %	7.8 %		
Net income per share				
Basic	\$ 0.78	\$ 1.01	\$ (0.23)	(23)%
Diluted	\$ 0.77	\$ 0.99	\$ (0.22)	(22)%
Operating cash flows	\$ 612.0	\$ 528.9	\$ 83.1	16 %
Stock repurchase plan activity	\$ 375.0	\$ 550.0	\$ (175.0)	(32)%
Cash dividends declared per common stock	\$ 0.80	\$ 0.76	\$ 0.04	5 %
DSO(*)	71	66	5	8 %
Deferred revenue	\$ 1,285.8	\$ 1,223.4	\$ 62.4	5 %
Product deferred revenue	\$ 104.7	\$ 132.6	\$ (27.9)	(21)%
Service deferred revenue	\$ 1,181.1	\$ 1,090.8	\$ 90.3	8 %

(*) DSO is for the fourth quarter ended December 31, 2020, and 2019.

- *Net Revenues:* Net revenues were flat during 2020 compared to 2019. We experienced growth in our Enterprise and Cloud verticals, which was offset by a decline in our Service Provider vertical. The growth in our Enterprise vertical was primarily driven by Switching, and the growth in our Cloud vertical was primarily driven by Routing. We believe the decline in our Service Provider vertical was partially due to the COVID-19 related supply constraints. Service net revenues increased primarily due to strong renewals of support contracts.
- *Gross Margin:* Gross margin as a percentage of net revenues decreased primarily due to increased logistics and other supply chain-related costs related to the COVID-19 pandemic, customer and product mix, and intangible amortization associated with the acquisition of Mist, partially offset by the impact associated with higher service revenues.
- *Operating Margin:* Operating income as a percentage of net revenues decreased primarily due to the drivers described in the gross margin discussion above, higher restructuring charges, and higher personnel-related costs. The decrease in operating margin was partially offset by lower travel costs due to the COVID-19 pandemic.
- *Operating Cash Flows:* Net cash provided by operations increased primarily due to higher invoicing activity and working capital differences related to customer collections, partially offset by higher payments to indirect suppliers and for employee compensation.
- *Capital Return:* We continue to return capital to our stockholders. During the fourth quarter of 2019, we entered into an accelerated share repurchase program (the "ASR"), to repurchase an aggregate of \$200.0 million in shares. Under the ASR, we made an up-front payment of \$200.0 million and received and retired 6.4 million shares of our common stock during the fourth quarter of 2019. During the first quarter of 2020, the ASR was completed, and we received and retired an additional 1.8 million shares for a total repurchase of 8.2 million shares of our common stock. During 2020, we repurchased a total of 16.1 million shares of our common stock in the open market at an average price of \$23.36 per share for an aggregate purchase price of \$375.0 million. During 2020, we paid quarterly dividends of \$0.20 per share, for an aggregate amount of \$264.1 million.
- *DSO:* DSO is calculated as the ratio of ending accounts receivable, net of allowances, divided by average daily net revenues for the preceding 90 days. DSO increased, primarily due to higher accounts receivable resulting from higher overall invoicing volume.
- *Deferred Revenue:* Total deferred revenue increased, primarily due to the timing of maintenance service renewals.

COVID-19 Pandemic Update

The COVID-19 pandemic and the containment measures taken by governments and businesses are expected to continue to have a substantial negative impact on businesses around the world and on global, regional, and national economies. As a result, the pandemic has, and may continue to, negatively affect our operations, including as a result of external factors beyond our control such as restrictions on the physical movement of our employees, contract manufacturers, partners, and customers to limit the spread of COVID-19 and the availability and acceptance of a COVID-19 vaccine. Since March 2020, the majority of our global workforce has been working remotely due to shelter-in-place requirements and travel restrictions. We continue to follow the guidance of local and national governments, including monitoring the health of our employees who have returned to our offices and limiting the gathering size of employee groups in indoor spaces.

We continue to support healthy customer demand for our products by working with our suppliers and distributors to address supply chain disruptions as well as travel restrictions that have impacted our operations. We have a global supply chain footprint with our primary manufacturing partners located in China, Taiwan, Malaysia, Mexico, and the United States. Our component suppliers are more geographically distributed with vendors from many countries throughout the world. During 2020, the supply constraints we experienced were due to both constrained manufacturing capacity as well as component parts shortages as our component vendors were also facing manufacturing challenges. These challenges resulted in extended lead-times to our customers, increased logistics costs, and impacted the volume of products we were able to deliver, which negatively impacted our ability to recognize revenue and decreased our gross margins.

Challenges to our supply chain due to the impact of the pandemic remain dynamic, including ongoing shortages of component parts, and increased logistics costs due to air travel and transport restrictions that limited the availability of flights on which we were able to ship products in the fourth quarter. However, we saw improvements in our manufacturing capacity during the second half of 2020. We also believe that we have a robust and fairly flexible supply chain. Our supply chain team has been working to meet our customer needs by executing on a strong risk mitigation plan, including multi-sourcing, pre-ordering components, transforming our logistics network, prioritizing critical customers, working with local government agencies to understand challenges, and partnering on solutions that limit disruptions to our operations while ensuring the safety of our employees, partners and suppliers.

The pandemic has not had a substantial net impact to our consolidated operating results or our liquidity position in 2020. We continue to generate operating cash flows to meet our short-term liquidity needs, and we expect to continue to maintain access to the capital markets enabled by our strong credit ratings. In 2020, we did not observe any material impairments of our assets or a significant change in the fair value of assets due to the pandemic.

We enter the first quarter of fiscal year 2021 with healthy backlog in our Cloud and Service Provider verticals. We intend to continue to work with government authorities and implement safety measures to ensure that we are able to continue manufacturing and distributing our products during the pandemic. We may continue to experience constrained supply and increased logistics costs and could experience curtailed customer demand, any of which could adversely impact our business, results of operations, and overall financial performance in future periods.

Critical Accounting Policies and Estimates

The preparation of the financial statements and related disclosures in conformity with U.S. GAAP requires us to make judgments, assumptions, and estimates that affect the amounts reported in the Consolidated Financial Statements and the accompanying notes. On an ongoing basis, we evaluate our estimates, including those related to sales returns, pricing credits, warranty costs, allowance for doubtful accounts, impairment of long-term assets, especially goodwill and intangible assets, contract manufacturer liabilities, assumptions used in the valuation of share-based compensation, and litigation. We base our estimates and assumptions on current facts, historical experience, and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. For further information about our significant accounting policies, see Note 1, *Description of Business, Basis of Presentation and Significant Accounting Policies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report, which describes the significant accounting policies and methods used in the preparation of the Consolidated Financial Statements. The accounting policies described below are significantly affected by critical accounting estimates. Such accounting policies require significant judgments, assumptions, and estimates used in the preparation of the Consolidated Financial Statements and actual results could differ materially from the amounts reported based on these policies. To the extent there are material differences between our estimates and the actual results, our future consolidated results of operations may be affected.

- *Goodwill and Purchased Intangible Assets:* We make significant estimates, assumptions, and judgments when valuing goodwill and other intangible assets in connection with the initial purchase price allocation of an acquired entity, as well as when evaluating impairment of goodwill and other intangible assets on an ongoing basis. The purchase price of an acquired entity is allocated between intangible assets and the net tangible assets of the acquired business with the residual of the purchase price recorded as goodwill. The determination of the value of the intangible assets acquired involves certain judgments and estimates. Critical estimates include, but are not limited to, historical and projected customer retention rates, anticipated growth in revenue from the acquired customer and product base, and the expected use of the acquired assets. These factors are also considered in determining the useful life of the acquired intangible assets. These estimates are based upon a number of factors, including historical experience, market conditions, and information obtained from the management of the acquired company. These judgments can include, but are not limited to, the cash flows that an asset is expected to generate in future periods and the appropriate weighted average cost of capital.

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recorded. We evaluate goodwill for impairment on an annual basis, as of November 1st, or more frequently if an event occurs or facts and circumstances change that would more likely than not reduce the fair value of our reporting units below their carrying amount. Goodwill is tested for impairment at the reporting unit level, which is one level below the operating segment, by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. This initial assessment includes, among others, consideration of macroeconomic conditions and financial performance. If the qualitative assessment indicates that it is more likely than not that an impairment exists, a quantitative analysis is performed by determining the fair value of each reporting unit using a combination of the discounted cash flow and the market approaches. The discounted cash flow approach uses expected future operating results. The market approach uses comparable company information to determine revenue and earnings multiples to value our reporting units. Failure to achieve these expected results or market multiples may cause a future impairment of goodwill of our reporting units. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. A goodwill impairment loss is recognized for the amount that the carrying amount of a reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit.

We conducted our annual impairment test of goodwill during the fourth quarters of 2020 and 2019. For the years ended December 31, 2020 and 2019, we determined that no impairment of the carrying value of goodwill for any reporting units exists. See Note 6, *Goodwill and Purchased Intangible Assets*, in Notes to the Consolidated Financial Statements in Item 8 of Part II of this Report for additional information regarding our Goodwill and Purchased Intangible Assets.

- *Inventory Valuation and Contract Manufacturer Liabilities:* Inventory consists primarily of component parts to be used in the manufacturing process and finished goods in-transit, and is stated at the lower of cost or net realizable value. A provision is recorded when inventory is determined to be in excess of anticipated demand or obsolete, to adjust inventory to its estimated realizable value. In determining the provision, we also consider estimated recovery

rates based on the nature of the inventory. As of December 31, 2020 and December 31, 2019, our net inventory balances were \$221.9 million and \$94.2 million, respectively.

We establish a liability for non-cancelable, non-returnable purchase commitments with our contract manufacturers for quantities in excess of our demand forecasts or obsolete materials charges for components purchased by contract manufacturers based on our demand forecasts or customer orders. We also take estimated recoveries of aged inventory into consideration when determining the liability. As of December 31, 2020 and December 31, 2019, our contract manufacturer liabilities were \$15.2 million and \$28.6 million, respectively.

Significant judgment is used in establishing our forecasts of future demand, recovery rates based on the nature and age of inventory, and obsolete material exposures. We perform a detailed analysis and review of data used in establishing our demand forecasts. If the actual component usage and product demand are significantly lower than forecast, which may be caused by factors within and outside of our control, or if there were a higher incidence of inventory obsolescence because of rapidly changing technology and our customer requirements, we may be required to increase our inventory write-downs and contract manufacturer liabilities, which could have an adverse impact on our gross margins and profitability. We regularly evaluate our exposure for inventory write-downs and adequacy of our contract manufacturer liabilities. Inventory and supply chain management remains an area of focus as we balance the risk of material obsolescence and supply chain flexibility in order to reduce lead times.

- *Revenue Recognition:* We enter into contracts to sell our products and services, and while some of our sales agreements contain standard terms and conditions, there are agreements that contain non-standard terms and conditions and include promises to transfer multiple goods or services. As a result, significant interpretation and judgment are sometimes required to determine the appropriate accounting for these transactions, including: (1) whether performance obligations are considered distinct that should be accounted for separately versus together, how the price should be allocated among the performance obligations, and when to recognize revenue for each performance obligation; (2) developing an estimate of the stand-alone selling price, or SSP, of each distinct performance obligation; (3) combining contracts that may impact the allocation of the transaction price between product and services; and (4) estimating and accounting for variable consideration, including rights of return, rebates, price protection, expected penalties or other price concessions as a reduction of the transaction price.

Our estimates of SSP for each performance obligation require judgment that considers multiple factors, including, but not limited to, historical discounting trends for products and services, pricing practices in different geographies and through different sales channels, gross margin objectives, internal costs, competitor pricing strategies, and industry technology lifecycles. Our estimates for rights of return, rebates, and price protection are based on historical sales returns and price protection credits, specific criteria outlined in customer contracts or rebate agreements, and other factors known at the time. Our estimates for expected penalties and other price concessions are based on historical trends and expectations regarding future incurrence.

Changes in judgments with respect to these assumptions and estimates could impact the timing or amount of revenue recognition.

- *Income Taxes:* We are subject to income taxes in the United States and numerous foreign jurisdictions. Significant judgment is required in evaluating our uncertain tax positions and determining our taxes. Although we believe our reserves are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in our historical income tax provisions and accruals. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made.

Significant judgment is also required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Our provision for income taxes is subject to volatility and could be adversely affected by earnings being lower than anticipated in countries that have lower tax rates and higher than anticipated in countries that have higher tax rates; by changes in the valuation of our deferred tax assets and liabilities; by expiration of, or lapses in the research and

development, or R&D, tax credit laws; by transfer pricing adjustments, including the effect of acquisitions on our intercompany R&D cost-sharing arrangement and legal structure; by tax effects of nondeductible compensation; by tax costs related to intercompany realignments; by changes in accounting principles; or by changes in tax laws and regulations, including possible U.S. changes to the taxation of earnings of our foreign subsidiaries, the deductibility of expenses attributable to foreign income, or the foreign tax credit rules. In addition, the OECD's recommended changes to numerous long-standing tax principles, as adopted by countries, will increase tax uncertainty and may adversely affect our provision for income taxes. Significant judgment is required to determine the recognition and measurement attributes prescribed in the accounting guidance for uncertainty in income taxes. The accounting guidance for uncertainty in income taxes applies to all income tax positions, including the potential recovery of previously paid taxes, which if settled unfavorably could adversely affect our provision for income taxes or additional paid-in capital. In addition, we are subject to the continuous examination of our income tax returns by the IRS and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these continuous examinations will not have an adverse effect on our operating results and financial condition.

- *Loss Contingencies:* We are involved in various lawsuits, claims, investigations, and proceedings, including those involving our IP, commercial, securities and employment matters, which arise in the ordinary course of business. We use significant judgment and assumptions to estimate the likelihood of loss or impairment of an asset, or the incurrence of a liability, in determining loss contingencies. An estimated loss contingency is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. We record a charge equal to the minimum estimated liability for litigation costs or a loss contingency only when both of the following conditions are met: (i) information available prior to issuance of our consolidated financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements and (ii) the range of loss can be reasonably estimated. We regularly evaluate current information available to us to determine whether such accruals should be adjusted and whether new accruals are required.

Recent Accounting Pronouncements

See Note 1, *Description of Business, Basis of Presentation and Significant Accounting Policies*, in Notes to the Consolidated Financial Statements in Item 8 of Part II of this Report for a full description of recent accounting pronouncements, including the expected dates of adoption and estimated effects on financial condition and results of operations, which is incorporated herein by reference.

Results of Operations

A discussion regarding our financial condition and results of operations for the fiscal year ended December 31, 2020 compared to 2019 is presented below. A discussion regarding our financial condition and results of operations for fiscal year ended December 31, 2019 compared to 2018 can be found under Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on February 20, 2020, which is available on the SEC's website at www.sec.gov and our Investor Relations website at <http://investor.juniper.net>.

Revenues

The following table presents net revenues by product and service, customer vertical, and geographic region (in millions, except percentages):

	Years Ended December 31,			
	2020	2019	\$ Change	% Change
Routing	\$ 1,612.1	\$ 1,623.2	\$ (11.1)	(1)%
Switching	918.9	901.0	17.9	2 %
Security	314.0	343.5	(29.5)	(9)%
Total Product	2,845.0	2,867.7	(22.7)	(1)%
Percentage of net revenues	64.0 %	64.5 %		
Total Service	1,600.1	1,577.7	22.4	1 %
Percentage of net revenues	36.0 %	35.5 %		
Total net revenues	\$ 4,445.1	\$ 4,445.4	\$ (0.3)	— %
Cloud	\$ 1,081.2	\$ 1,059.8	\$ 21.4	2 %
Percentage of net revenues	24.3 %	23.8 %		
Service Provider	1,761.7	1,827.8	(66.1)	(4)%
Percentage of net revenues	39.6 %	41.1 %		
Enterprise	1,602.2	1,557.8	44.4	3 %
Percentage of net revenues	36.1 %	35.1 %		
Total net revenues	\$ 4,445.1	\$ 4,445.4	\$ (0.3)	— %
Americas:				
United States	\$ 2,233.9	\$ 2,299.8	\$ (65.9)	(3)%
Other	211.2	218.2	(7.0)	(3)%
Total Americas	2,445.1	2,518.0	(72.9)	(3)%
Percentage of net revenues	55.0 %	56.7 %		
EMEA	1,233.8	1,215.3	18.5	2 %
Percentage of net revenues	27.8 %	27.3 %		
APAC	766.2	712.1	54.1	8 %
Percentage of net revenues	17.2 %	16.0 %		
Total net revenues	\$ 4,445.1	\$ 4,445.4	\$ (0.3)	— %

Product net revenues decreased due to decreases in Security and Routing, offset by Switching.

Security revenue decreased primarily driven by Enterprise from lower net revenues in our SRX product family.

Routing revenue decreased primarily driven by Service Provider and to a lesser extent, Enterprise, from lower net revenues in our MX product family. The decrease was partially offset by strength in Cloud.

Switching revenue increased primarily driven by Enterprise and Service Provider, from higher net revenues in our Mist product family.

Service net revenues increased primarily due to strong renewals of support contracts.

Gross Margins

The following table presents gross margins (in millions, except percentages):

	Years Ended December 31,			
	2020	2019	\$ Change	% Change
Product gross margin	\$ 1,566.4	\$ 1,640.7	\$ (74.3)	(5)%
<i>Percentage of product revenues</i>	55.1 %	57.2 %		
Service gross margin	1,007.3	976.1	31.2	3 %
<i>Percentage of service revenues</i>	63.0 %	61.9 %		
Total gross margin	\$ 2,573.7	\$ 2,616.8	\$ (43.1)	(2)%
<i>Percentage of net revenues</i>	57.9 %	58.9 %		

Our gross margins as a percentage of net revenues have been and will continue to be affected by a variety of factors, including the mix and average selling prices of our products and services, new product introductions and enhancements, manufacturing, component and logistics costs, expenses for inventory obsolescence and warranty obligations, cost of support and service personnel, customer mix as we continue to expand our footprint with certain strategic customers, the mix of distribution channels through which our products and services are sold, and import tariffs. For example, we are subject to tariffs on networking components imported from China, which are included in products that we import into and sell within the United States. In addition, our logistics and other supply chain-related costs have increased due to the COVID-19 pandemic. For more information on the potential impact of tariffs and COVID-19 on our business, see the “Risk Factors” section of Item 1A of Part I of this Report.

Product gross margin

Product gross margin as a percentage of product revenues decreased primarily due to increased logistics and other supply chain-related costs related to the COVID-19 pandemic, customer and product mix, and higher amortization of intangible assets associated with the acquisition of Mist, acquired in the second quarter of 2019. We continue to undertake specific efforts to address certain factors impacting our product gross margin. These efforts include performance and quality improvements through engineering to increase value across our products; optimizing our supply chain and service business; pricing management; and increasing software and solution sales.

Service gross margin

Service gross margin as a percentage of service net revenues increased primarily due to higher revenue and lower delivery costs.

Operating Expenses

The following table presents operating expenses (in millions, except percentages):

	Years Ended December 31,			
	2020	2019	\$ Change	% Change
Research and development	\$ 958.4	\$ 955.7	\$ 2.7	— %
<i>Percentage of net revenues</i>	<i>21.6 %</i>	<i>21.5 %</i>		
Sales and marketing	938.8	939.3	(0.5)	— %
<i>Percentage of net revenues</i>	<i>21.1 %</i>	<i>21.1 %</i>		
General and administrative	255.4	244.3	11.1	5 %
<i>Percentage of net revenues</i>	<i>5.7 %</i>	<i>5.5 %</i>		
Restructuring charges	68.0	35.3	32.7	93 %
<i>Percentage of net revenues</i>	<i>1.5 %</i>	<i>0.8 %</i>		
Total operating expenses	<u>\$ 2,220.6</u>	<u>\$ 2,174.6</u>	<u>\$ 46.0</u>	<u>2 %</u>
<i>Percentage of net revenues</i>	<i>50.0 %</i>	<i>48.9 %</i>		

Our operating expenses have historically been driven in large part by personnel-related costs, including salaries and wages; commissions and bonuses, which we refer to collectively as variable compensation; benefits; share-based compensation; and travel. Facility and information technology, or IT, departmental costs are allocated to each department based on usage and headcount. We had a total of 9,950 and 9,419 employees as of December 31, 2020, and 2019, respectively. Our headcount increased by 531 employees, or 6%, primarily from hiring for the research and development, and sales organizations, and to a lesser extent, from the acquisitions in 2020.

Research and development

Research and development expense, or R&D, increased \$2.7 million primarily due to higher personnel-related costs of \$26.3 million driven by an increase in headcount and higher professional services spending of \$12.4 million. The increase was partially offset by a decrease in share-based compensation expense of \$15.2 million, lower engineering costs of \$14.3 million due to decreased investments in certain R&D projects, and lower travel costs of \$4.0 million due to the COVID-19 pandemic.

General and administrative

General and administrative expense increased \$11.1 million primarily due to higher acquisition-related costs of \$10.5 million, mainly for our acquisitions during the fourth quarter of 2020.

Restructuring charges

Restructuring charges increased \$32.7 million, primarily due to higher severance costs related to voluntary and involuntary workforce reductions recorded under the 2020 Restructuring Plan.

Loss on Extinguishment of Debt

The following table presents the loss on extinguishment of debt (in millions, except percentages):

	Years Ended December 31,			
	2020	2019	\$ Change	% Change
Loss on extinguishment of debt	\$ (55.0)	\$ (15.3)	\$ (39.7)	259 %
<i>Percentage of net revenues</i>	<i>(1.2)%</i>	<i>(0.3)%</i>		

During 2020, we incurred a loss on extinguishment of debt of \$55.0 million related to the early repayment of a portion of our 2024 and 2025 Senior Notes. The loss primarily consists of a premium on the tender offer and acceleration of unamortized debt discount and fees on the redeemed debt. During 2019, we incurred a loss on extinguishment of debt of \$15.3 million related to the early repayment of our 2020 and 2021 Senior Notes.

Other Expense, Net

The following table presents other expense, net (in millions, except percentages):

	Years Ended December 31,			
	2020	2019	\$ Change	% Change
Interest income	\$ 36.3	\$ 79.1	\$ (42.8)	(54)%
Interest expense	(77.0)	(88.7)	11.7	(13)%
Gain (loss) on investments, net	13.3	(3.8)	17.1	N/M
Other	(5.5)	0.9	(6.4)	N/M
Total other expense, net	\$ (32.9)	\$ (12.5)	\$ (20.4)	163 %
<i>Percentage of net revenues</i>	<i>(0.7)%</i>	<i>(0.3)%</i>		

N/M - percentage is not meaningful.

Interest income primarily includes interest earned on our cash, cash equivalents, investments, and a promissory note issued to us in connection with the sale of Junos Pulse. Interest expense primarily includes interest, net of capitalized interest expense, from long-term debt and customer financing arrangements. Gain (loss) on investments, net, primarily includes losses from the sale of investments in public and privately-held companies, and any observable changes in fair value and impairment charges recorded on these investments. Other typically consists of foreign exchange gains and losses and other non-operational income and expense items.

Interest Income

Interest income decreased \$42.8 million, primarily due to lower yields from our fixed income investment portfolio as a result of a lower interest rates and lower average portfolio balance, and to a lesser extent, lower interest income as a result of the collection of a promissory note receivable in connection with the previously completed sale of Junos Pulse.

Interest Expense

Interest expense decreased \$11.6 million primarily due to lower interest rates and savings from our interest rate swap contracts.

Gain (loss) on Investments, Net

During 2020, we had gains related to certain equity investments and other isolated transactions, compared to losses from certain equity investments in 2019.

Income Tax Provision

The following table presents the income tax provision (benefit) (in millions, except percentages):

	Years Ended December 31,			
	2020	2019	\$ Change	% Change
Income tax provision	\$ 7.4	\$ 69.4	\$ (62.0)	(89)%
Effective tax rate	2.8 %	16.7 %		

The effective tax rate for fiscal year 2020 was lower than 2019, primarily due to the net difference in discrete items unique to fiscal year 2020 compared to fiscal year 2019. In 2020, our effective rate included a \$63.7 million benefit, including interest and penalties, related to a multi-year recognition of previously unrecognized tax benefits and a \$20.1 million charge, including interest, for the cumulative impact of cost sharing for share-based compensation. In 2019, our effective rate included a \$25.4 million benefit, including interest, related to the recognition of previously unrecognized tax benefits pursuant to the resolution of a tax audit and a \$7.5 million benefit, including interest, for a lapse in statute of limitations.

For a complete reconciliation of our effective tax rate to the U.S. federal statutory rate of 21% and further explanation of our income tax provision, see Note 13, *Income Taxes*, in the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report.

Our effective tax rate may fluctuate significantly on a quarterly basis and may be adversely affected to the extent earnings are lower than anticipated in countries that have lower statutory rates and higher than anticipated in countries that have higher statutory rates. Our effective tax rate may also fluctuate due to changes in the valuation of our deferred tax assets or liabilities, or by changes in tax laws, regulations, or accounting principles, as well as certain discrete items. See Item 1A of Part I, "Risk Factors" of this Report for a description of relevant risks which may adversely affect our results.

As a result of recommendations by the OECD on Base Erosion and Profit Shifting, certain countries in EMEA and APAC have either enacted new corporate tax legislation or are considering enacting such legislation in the near future. We expect the effect of these reform measures to potentially impact long-standing tax principles, particularly in regards to transfer pricing. Consequently, we expect global tax authorities to increasingly challenge our cost sharing and other intercompany arrangements, and the related sourcing of taxable profits in global jurisdictions.

Liquidity and Capital Resources

The following sections discuss the effects of changes in our balance sheet, our capital return strategy, including our stock repurchase program and dividends, our contractual obligations, and certain other commitments and activities on our liquidity and capital resources.

We have funded our business primarily through our operating activities and the issuance of our long-term debt. The following table presents our capital resources (in millions, except percentages):

	As of December 31,		\$ Change	% Change
	2020	2019		
Working capital	\$ 1,110.1	\$ 1,665.9	\$ (555.8)	(33)%
Cash and cash equivalents	\$ 1,361.9	\$ 1,215.8	\$ 146.1	12 %
Short-term investments	412.1	738.0	(325.9)	(44)%
Long-term investments	656.6	589.8	66.8	11 %
Total cash, cash equivalents, and investments	2,430.6	2,543.6	(113.0)	(4)%
Short-term portion of long-term debt	421.5	—	421.5	(100)%
Long-term debt	1,705.8	1,683.9	21.9	1 %
Cash, cash equivalents, and investments, net of debt	\$ 303.3	\$ 859.7	\$ (556.4)	(65)%

Summary of Cash Flows

The following table summarizes cash flow activity from our Consolidated Statements of Cash Flows (in millions, except percentages):

	Years Ended December 31,			
	2020	2019	\$ Change	% Change
Net cash provided by operating activities	\$ 612.0	\$ 528.9	\$ 83.1	16 %
Net cash used in investing activities	\$ (288.9)	\$ (528.2)	\$ 239.3	(45)%
Net cash used in financing activities	\$ (222.4)	\$ (1,228.8)	\$ 1,006.4	(82)%

Operating Activities

Our primary source of operating cash flows is cash collections from our customers. Our primary uses of cash from operating activities are for personnel-related expenditures, payments for suppliers and other general operating expenses, as well as payments related to taxes, interest, and facilities.

Net cash provided by operations increased primarily due to higher invoicing activity and working capital differences related to customer collections, partially offset by higher payments to indirect suppliers and for employee compensation.

Investing Activities

Investing cash flows consist primarily of capital expenditures; purchases, sales, maturities, and redemptions of investments; and cash used for business combinations.

Net cash used in investing activities decreased in 2020, compared to 2019. In 2020, the net payment for acquisitions was \$438.1 million and the net proceeds from sales, maturities, and redemptions of investments was \$250.7 million. In 2019, the net payment for the acquisition of Mist was \$270.9 million and the net purchase of investments was \$140.4 million.

Financing Activities

Financing cash flows consist primarily of repurchases and retirement of common stock, payment of cash dividends to stockholders, issuance and repayment of long-term debt, and proceeds from the issuance of shares of common stock through employee equity incentive plans.

Net cash used in financing activities decreased in 2020, compared to 2019, primarily due to \$416.2 million net issuance of debt in 2020 compared to \$454.8 million net repayment of debt in 2019, and \$175 million decrease in stock repurchases as discussed below.

Capital Return

The following table summarizes our dividends paid and stock repurchase activities (in millions, except per share amounts):

Year	Dividends		Stock Repurchase Program			Total
	Per Share	Amount	Shares	Average price per share ^(*)	Amount	Amount
2020	\$ 0.80	\$ 264.1	17.9	\$ 23.47	\$ 375.0	\$ 639.1
2019	\$ 0.76	\$ 260.1	20.1	\$ 25.36	\$ 550.0	\$ 810.1
2018	\$ 0.72	\$ 249.3	29.3	\$ 25.62	\$ 750.0	\$ 999.3

(*) During 2020, the \$23.47 average price per share includes \$375.0 million in open market purchases, and settlement of a forward contract of \$40.0 million under accelerated share repurchase program (the "ASR"), which was initiated during the fourth quarter of 2019. During 2019, the \$25.36 average price per share excludes the forward contract of \$40.0 million under the ASR.

In January 2018, our Board of Directors, which we refer to as the Board, approved a \$2.0 billion share repurchase program, which we refer to as the 2018 Stock Repurchase Program. In October 2019, the Board authorized a \$1.0 billion increase to the 2018 Stock Repurchase Program for a total of \$3.0 billion.

As part of the 2018 Stock Repurchase Program, in February 2018 and April 2019, we entered into two ASRs and repurchased \$750.0 million and \$300.0 million of our common stock, respectively. The aggregate number of shares ultimately repurchased of 29.3 million and 11.6 million shares of our common stock, respectively, was determined based on a volume weighted average repurchase price, less an agreed upon discount, of \$25.62 and \$25.79 per share, respectively. The shares we received were retired and accounted for as a reduction to stockholder's equity in the Consolidated Balance Sheets, and treated as a repurchase of common stock for purposes of calculating earnings per share.

As part of the 2018 Stock Repurchase Program, on October 28, 2019, we entered into an additional ASR with a financial institution to repurchase an aggregate of \$200.0 million of our outstanding common stock. We made an up-front payment of \$200.0 million pursuant to the ASR and received and retired an initial 6.4 million shares of our common stock for an aggregate price of \$160.0 million based on the market price of \$25.15 per share of our common stock on the date of the transaction. In January, 2020, the ASR was completed, and an additional 1.8 million shares were received for a total repurchase of 8.2 million shares of our common stock at a volume weighted average repurchase price, less an agreed upon discount, of \$24.44 per share. The shares received by us were retired, accounted for as a reduction to stockholder's equity in the Consolidated Balance Sheets, and treated as a repurchase of common stock for purposes of calculating earnings per share.

During the fiscal year ended December 31, 2020, we repurchased 16.1 million shares of our common stock in the open market for an aggregate purchase price of \$375.0 million at an average price of \$23.36 per share, under the 2018 Stock Repurchase Program.

As of December 31, 2020, there was \$1.3 billion of authorized funds remaining under the 2018 Stock Repurchase Program.

Future share repurchases under the 2018 Stock Repurchase Program will be subject to a review of the circumstances at that time and will be made from time to time in private transactions or open market purchases as permitted by securities laws and other legal requirements. Our 2018 Stock Repurchase Program may be discontinued at any time. See Note 10, *Equity*, in the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for further discussion of our share purchase program.

In addition, any future dividends, and the establishment of record and payment dates, are subject to approval by the Board or an authorized committee thereof. See Note 17, *Subsequent Events*, in the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for discussion of our dividend declaration subsequent to December 31, 2020.

Off-Balance Sheet Arrangements

As of December 31, 2020 and 2019, we did not have any off-balance sheet arrangements, as defined in Item 303 (a)(4)(ii) of SEC Regulation S-K. It is not our business practice to enter into off-balance sheet arrangements. However, in the normal course of business, we enter into contracts consisting of guarantees of product and service performance, standby letters of credit for certain lease facilities and insurance programs. See *Guarantees* below for additional information regarding our guarantees.

Contractual Obligations

Our principal commitments consist of obligations outstanding under operating leases, purchase commitments, debt, and other contractual obligations. The following table summarizes our principal contractual obligations as of December 31, 2020 and the effect such obligations are expected to have on our liquidity and cash flow in future periods (in millions):

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases ⁽¹⁾	\$ 232.7	\$ 52.9	\$ 91.6	\$ 67.9	\$ 20.3
Purchase commitments with contract manufacturers and suppliers ⁽¹⁾	1,283.0	825.8	457.2	—	—
Long-term debt ⁽²⁾	2,123.8	423.8	—	400.0	1,300.0
Interest payment on long-term debt ⁽²⁾	764.9	59.6	110.7	110.7	483.9
Tax liability related to the Tax Act ⁽³⁾	250.6	—	59.2	191.4	—
Other contractual obligations ⁽¹⁾	156.8	62.3	83.8	10.7	—
Total	\$ 4,811.8	\$ 1,424.4	\$ 802.5	\$ 780.7	\$ 1,804.2

⁽¹⁾ See Note 15, *Commitments and Contingencies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for additional information regarding our leases and other contractual commitments.

⁽²⁾ See Note 9, *Debt and Financing*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for additional information regarding our debt.

⁽³⁾ See Note 15, *Commitments and Contingencies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for additional information regarding our tax liability related to the Tax Cuts and Jobs Act of 2017 (“Tax Act”).

As of December 31, 2020, we had \$61.9 million included in long-term income taxes payable in the Consolidated Balance Sheets for unrecognized tax positions. At this time, we are unable to make a reasonably reliable estimate of the timing of payments related to this amount due to uncertainties in the timing of tax audit outcomes. As a result, this amount is not included in the table above.

Revolving Credit Facility

We have an unsecured revolving credit facility, which enables borrowings of up to \$500.0 million, with an option to increase the amount of the credit facility by up to an additional \$200.0 million, subject to the lenders' approval. The credit facility will terminate in April 2024, subject to a one-year maturity extension option. As of December 31, 2020, we were in compliance with all covenants and no amounts were outstanding under our credit facility.

Guarantees

We have financial guarantees consisting of guarantees of product and service performance and standby letters of credit for certain lease facilities, insurance programs, and customs of \$29.0 million and \$30.6 million, as of December 31, 2020 and December 31, 2019, respectively.

Liquidity and Capital Resources

Liquidity and capital resources may be impacted by our operating activities as well as acquisitions, investments in strategic relationships, repurchases of additional shares of our common stock, and payment of cash dividends on our common stock. Since the enactment of the Tax Act, we have repatriated a significant amount of cash, cash equivalents, and investments from outside of the U.S., and plan to continue to repatriate on an ongoing basis. We intend to use the repatriated cash to invest in the business, support value-enhancing merger and acquisitions, or M&A, and fund our return of capital to stockholders.

Based on past performance and current expectations, we believe that our existing cash and cash equivalents, short-term, and long-term investments, together with cash generated from operations and access to capital markets and the revolving credit facility will be sufficient to fund our operations; planned stock repurchases and dividends; capital expenditures; commitments and other liquidity requirements; and anticipated growth for at least the next twelve months. However, our future liquidity and capital requirements may vary materially from those now planned depending on many factors, including, but not limited to, our growth rate; the timing and amount we spend to support development efforts; the expansion of sales and marketing activities; the introduction of new and enhanced products and services; the costs to acquire or invest in businesses and technologies; an increase in manufacturing or component costs; and the risks and uncertainties detailed in the “Risk Factors” section of Item 1A of Part I of this Report.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Interest Expense Risk - Available-for-Sale Fixed Income Securities

The primary objectives of our investment activities are, in order of priority, to preserve principal, maintain liquidity, and maximize yield. The value of our investments is subject to market price volatility. To minimize this risk, we maintain an investment portfolio of various holdings, types, and maturities, which includes asset-backed securities, certificates of deposit, commercial paper, corporate debt securities, foreign government debt securities, money market funds, mutual funds, time deposits, U.S. government agency securities, and U.S. government securities. At any time, a rise in interest rates could have a material adverse impact on the fair value of our investment portfolio. Conversely, a decline in interest rates could have a material impact on interest income from our investment portfolio. We do not currently hedge these interest rate exposures.

The following tables present hypothetical changes in fair value of our available-for-sale fixed income securities held as of December 31, 2020 and 2019 that are sensitive to changes in interest rates assuming immediate parallel shifts in the yield curve of 50 basis points, or BPS, 100 BPS and 150 BPS, which are representative of the historical movements in the Federal Funds Rate (in millions):

	- 150 BPS	- 100 BPS	- 50 BPS	Fair Value as of December 31, 2020	+ 50 BPS	+ 100 BPS	+ 150 BPS
Available-for-sale fixed income securities	\$ 1,411.5	\$ 1,406.3	\$ 1,401.1	\$ 1,395.8	\$ 1,390.7	\$ 1,385.5	\$ 1,380.3

	- 150 BPS	- 100 BPS	- 50 BPS	Fair Value as of December 31, 2019	+ 50 BPS	+ 100 BPS	+ 150 BPS
Available-for-sale fixed income securities	\$ 1,630.4	\$ 1,625.2	\$ 1,620.1	\$ 1,614.9	\$ 1,609.7	\$ 1,604.5	\$ 1,599.3

Interest rate swaps

The Company uses interest rate swaps to convert certain of our fixed interest rate notes to floating interest rates based on the London InterBank Offered Rate (LIBOR), resulting in a net increase or decrease in interest expense. These swaps hedge against the interest rate risk exposures of the designated debt issuances. As of December 31, 2020 and December 31, 2019, the aggregate notional amount of the interest rate swaps was \$300.0 million. As of December 31, 2020 and December 31, 2019, the aggregate fair value of the interest rate swaps resulted in an asset of \$20.3 million and a liability of \$3.1 million, respectively. A hypothetical 10% change in the interest rates as of December 31, 2020 would not have had a material impact to our operating results or the fair value of the interest rate swaps.

Interest Rate Locks

In 2020, the Company entered into interest rate locks for an aggregate notional amount of \$650.0 million. These derivative instruments hedge the impact of changes in the benchmark interest rate to future interest payments and will be terminated upon closing of our future debt issuance. We record changes in the fair value of these cash flow hedges of interest rate risk in accumulated other comprehensive income (loss) until the anticipated refinancing. Upon refinancing of our debt and termination of the derivative instruments, the fair value of these interest rate locks will be amortized over the term of our new debt to interest expense. As of December 31, 2020, the fair value of these contracts resulted in an asset of \$30.7 million. A hypothetical 10% change in the interest rates as of December 31, 2020 would not have had a material impact to the fair value of the interest rate locks.

Foreign Currency Risk and Foreign Exchange Forward Contracts

Periodically, we use derivatives to hedge against fluctuations in foreign exchange rates. We do not enter into derivatives for speculative or trading purposes.

We use foreign currency forward contracts to mitigate variability in gains and losses generated from the re-measurement of certain monetary assets and liabilities denominated in foreign currencies. These foreign exchange forward contracts typically have maturities of approximately one to four months.

Our sales and costs of product revenues are primarily denominated in U.S. Dollars. Our cost of service revenue and operating expenses are denominated in U.S. Dollars as well as other foreign currencies, including the British Pound, Chinese Yuan, Euro, and the Indian Rupee. Approximately 79% of such costs and operating expenses are denominated in U.S. Dollars. Periodically, we use foreign currency forward and/or option contracts to hedge certain forecasted foreign currency transactions to reduce variability in cost of service revenue and operating expenses caused by non-U.S. Dollar denominated operating expense and costs. In designing a specific hedging approach, we consider several factors, including offsetting exposures, significance of exposures, costs associated with entering into a particular hedge instrument, and potential effectiveness of the hedge. These derivatives are designated as cash flow hedges and have maturities of thirty-six months or less. The change in operating expenses including cost of service revenue, research and development, sales and marketing, and general and administrative expenses, due to foreign currency fluctuations was a reduction to operating expenses of \$11.6 million, or 0.3% and of \$31.6 million, or 0.9% for years ended December 31, 2020 and December 31, 2019, respectively. See Note 5, *Derivative Instruments*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for further discussion of our derivative and hedging activity.

We have performed a sensitivity analysis as of December 31, 2020 and as of December 31, 2019, using a modeling technique that measures the change in the amount of non-U.S. dollar cash, cash equivalents and marketable securities arising from a hypothetical 10% movement in the levels of foreign currency exchange rates relative to the U.S. dollar, with all other variables held constant. The foreign currency exchange rates we used were based on market rates in effect on December 31, 2020 and December 31, 2019, respectively. The sensitivity analysis indicated that a hypothetical 10% movement in foreign currency exchange rates would change the amount of cash, cash equivalents, and investments we would report in U.S. Dollars as of December 31, 2020 and December 31, 2019 by \$33.4 million, or 1.4% and by \$38.2 million, or 1.5%, respectively.

Equity Price Risk

We have also invested in privately-held companies. Depending on the nature of these investments, some can be carried at cost, adjusted for changes from observable transactions for identical or similar investments of the same issuer, less impairment, and others can be carried at fair value. The carrying values of our investments in privately-held companies were \$201.9 million and \$189.8 million as of December 31, 2020 and December 31, 2019, respectively. The privately-held companies in which we invest can still be considered to be in the startup or development stages. These investments are inherently risky because the markets for the technologies or products these companies are developing, are typically in the early stages, and may never materialize. We could lose our entire investment in these companies. Our evaluation of investments in privately-held companies is based on the fundamentals of the businesses invested in, including, among other factors, the nature of their technologies and potential for financial return.

ITEM 8. Financial Statements and Supplementary Data

**Juniper Network, Inc.
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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Juniper Networks, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Juniper Networks, Inc. (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and the financial statement schedule listed in the Index at Item 15(a)2 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 12, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Identification of distinct performance obligations in revenue contracts

Description of the matter	As described in Note 1 to the consolidated financial statements, the Company's contracts with customers sometimes contain multiple performance obligations, which are accounted for separately if they are distinct. In such cases, the transaction price is then allocated to the distinct performance obligations on a relative standalone selling price basis and revenue is recognized when control of the distinct performance obligation is transferred. For example, product revenue is recognized at the time of hardware shipment or delivery of software license, and support revenue is recognized over time as the services are performed.
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Auditing the Company's revenue recognition was challenging, specifically related to the effort required to identify and determine the distinct performance obligations and the associated timing of revenue recognition. For example, there were nonstandard terms and conditions that required judgment to determine the distinct performance obligations and the impact on the timing of revenue recognition.

How we addressed the matter in our audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's revenue recognition process, including controls to identify and determine the distinct performance obligations and the timing of revenue recognition.

Among the procedures we performed to test the identification and determination of the distinct performance obligations and the timing of revenue recognition, we read the executed contract and purchase order to understand the contract, identified the performance obligation(s), determined the distinct performance obligations, and evaluated the timing and amount of revenue recognized for a sample of individual sales transactions. We evaluated the accuracy of the Company's contract summary documentation, specifically related to the identification and determination of distinct performance obligations and the timing of revenue recognition.

Description of the matter **Accounting for the acquisition of 128 Technology, Inc.**
During 2020, the Company completed the acquisition of 128 Technology, Inc. for consideration of \$448.2 million, as disclosed in Note 2 to the consolidated financial statements. The transaction was accounted for as a business combination.

Auditing the Company's accounting for its acquisition of 128 Technology, Inc. was complex due to the significant estimation uncertainty in the Company's determination of the fair value of identified intangible assets of \$116 million, which principally consisted of developed technology (\$88 million) and customer relationships (\$27 million). The significant estimation uncertainty was primarily due to the sensitivity of the respective fair values to underlying assumptions about the future performance of the acquired business and the limited historical data and market data on which those assumptions were based. The Company used a discounted cash flow model to measure the developed technology and customer relationship intangible assets. The significant assumptions used to estimate the value of the intangible assets included discount rates and certain assumptions that form the basis of the forecasted results (e.g., revenue growth rates, market share and technology migration curves). These significant assumptions are forward looking and could be affected by future economic and market conditions.

How we addressed the matter in our audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting for acquisitions. This included testing controls over the estimation process supporting the recognition and measurement of the technology and customer relationships intangible assets, including the valuation models and underlying assumptions used to develop such estimates.

To test the estimated fair value of the technology and customer relationships intangible assets, we performed audit procedures that included, among others, evaluating the Company's selection of the valuation methodology, evaluating the methods and significant assumptions used by the Company, and evaluating the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. For example, we compared the significant assumptions to current industry, market and economic trends and to the Company's budgets and forecasts. We involved our valuation specialists to assist with our evaluation of the methodology used by the Company and significant assumptions included in the fair value estimates.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1996.
San Jose, California

February 12, 2021

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Juniper Networks, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Juniper Networks, Inc.'s internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Juniper Networks, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of 128 Technology, Inc. and Netrounds AB, which are included in the 2020 consolidated financial statements of the Company and constituted less than 5.0% of total assets and net assets, respectively as of December 31, 2020 and less than 1.0% of net revenues and less than 2.0% of net income for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of 128 Technology, Inc. and Netrounds AB.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and the financial statement schedule listed in the Index at Item 15(a)2 and our report dated February 12, 2021, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

San Jose, California
February 12, 2021

Management's Report on Internal Control Over Financial Reporting

The management of Juniper Networks, Inc. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control over financial reporting is a process designed under the supervision of the Company's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2020, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework* as published in 2013. Management has excluded from its assessment, the internal control over financial reporting of 128 Technology, Inc. and Netrounds AB, which are included in the December 31, 2020 Consolidated Financial Statements, and constituted less than 5.0% of total assets and net assets, respectively as of December 31, 2020, and less than 1.0% of net revenues and less than 2.0% of net income for the year then ended. Based on that assessment, management concluded that, as of December 31, 2020, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2020 has been audited by Ernst & Young LLP, the independent registered public accounting firm that audits the Company's Consolidated Financial Statements, as stated in their report preceding this report, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2020.

Juniper Networks, Inc.

Consolidated Statements of Operations
(In millions, except per share amounts)

	Years Ended December 31,		
	2020	2019	2018
Net revenues:			
Product	\$ 2,845.0	\$ 2,867.7	\$ 3,107.1
Service	1,600.1	1,577.7	1,540.4
Total net revenues	4,445.1	4,445.4	4,647.5
Cost of revenues:			
Product	1,278.6	1,227.0	1,277.2
Service	592.8	601.6	629.1
Total cost of revenues	1,871.4	1,828.6	1,906.3
Gross margin	2,573.7	2,616.8	2,741.2
Operating expenses:			
Research and development	958.4	955.7	1,003.2
Sales and marketing	938.8	939.3	927.4
General and administrative	255.4	244.3	231.1
Restructuring charges	68.0	35.3	7.3
Total operating expenses	2,220.6	2,174.6	2,169.0
Operating income	353.1	442.2	572.2
Loss on extinguishment of debt	(55.0)	(15.3)	—
Other expense, net ^(*)	(32.9)	(12.5)	(39.5)
Income before income taxes	265.2	414.4	532.7
Income tax provision (benefit)	7.4	69.4	(34.2)
Net income	\$ 257.8	\$ 345.0	\$ 566.9
Net income per share:			
Basic	\$ 0.78	\$ 1.01	\$ 1.62
Diluted	\$ 0.77	\$ 0.99	\$ 1.60
Shares used in computing net income per share:			
Basic	330.4	343.2	349.0
Diluted	335.2	348.2	354.4

^(*): The amount for the year ended December 31, 2019 has been reclassified to conform to the current period presentation.

See accompanying Notes to Consolidated Financial Statements

Juniper Networks, Inc.

Consolidated Statements of Comprehensive Income
(In millions)

	Years Ended December 31,		
	2020	2019	2018
Net income	\$ 257.8	\$ 345.0	\$ 566.9
Other comprehensive income (loss), net of tax:			
Available-for-sale debt securities:			
Change in net unrealized gains and losses, net of tax (provision) benefit of \$(1.9), \$(1.0), and \$1.0 for 2020, 2019, and 2018, respectively	5.7	4.6	0.6
Net realized (gains) losses reclassified into net income, net of tax	(1.3)	(0.4)	0.9
Net change on available-for-sale debt securities, net of tax	4.4	4.2	1.5
Cash flow hedges:			
Change in net unrealized gains and losses, net of tax (provision) benefit of \$(9.1), \$(2.6), and \$2.3 for 2020, 2019, and 2018, respectively	54.4	(8.9)	(6.4)
Net realized losses (gains) reclassified into net income, net of tax benefit (provisions) of \$1.4, \$(1.7), and \$(0.3) for 2020, 2019, and 2018, respectively	7.6	5.5	(1.2)
Net change on cash flow hedges, net of tax	62.0	(3.4)	(7.6)
Change in foreign currency translation adjustments	7.7	(1.1)	(12.4)
Other comprehensive income (loss), net of tax	74.1	(0.3)	(18.5)
Comprehensive income	\$ 331.9	\$ 344.7	\$ 548.4

See accompanying Notes to Consolidated Financial Statements

Juniper Networks, Inc.
Consolidated Balance Sheets
(In millions, except par values)

	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,361.9	\$ 1,215.8
Short-term investments	412.1	738.0
Accounts receivable, net of allowance for doubtful accounts of \$9.9 and \$5.5 as of December 31, 2020 and 2019, respectively	964.1	879.7
Prepaid expenses and other current assets	533.1	376.3
Total current assets	3,271.2	3,209.8
Property and equipment, net	762.3	830.9
Operating lease assets	184.6	169.7
Long-term investments	656.6	589.8
Purchased intangible assets, net	266.7	185.8
Goodwill	3,669.6	3,337.1
Other long-term assets	567.3	514.6
Total assets	\$ 9,378.3	\$ 8,837.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 277.0	\$ 219.5
Accrued compensation	270.7	229.0
Deferred revenue	867.3	812.9
Short-term portion of long-term debt	421.5	—
Other accrued liabilities	324.6	282.5
Total current liabilities	2,161.1	1,543.9
Long-term debt	1,705.8	1,683.9
Long-term deferred revenue	418.5	410.5
Long-term income taxes payable	312.5	372.6
Long-term operating lease liabilities	163.5	158.1
Other long-term liabilities	73.4	58.1
Total liabilities	4,834.8	4,227.1
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, \$0.00001 par value; 10.0 shares authorized; none issued and outstanding	—	—
Common stock, \$0.00001 par value; 1,000.0 shares authorized; 327.7 shares and 335.9 shares issued and outstanding as of December 31, 2020 and 2019, respectively	—	—
Additional paid-in capital	7,156.9	7,370.5
Accumulated other comprehensive income (loss)	55.6	(18.5)
Accumulated deficit	(2,669.0)	(2,741.4)
Total stockholders' equity	4,543.5	4,610.6
Total liabilities and stockholders' equity	\$ 9,378.3	\$ 8,837.7

See accompanying Notes to Consolidated Financial Statements

Juniper Networks, Inc.
Consolidated Statements of Cash Flows
(In millions)

	Years Ended December 31,		
	2020	2019	2018
Cash flows from operating activities:			
Net income	\$ 257.8	\$ 345.0	\$ 566.9
Adjustments to reconcile net income to net cash provided by operating activities:			
Share-based compensation expense	190.2	202.2	217.1
Depreciation, amortization, and accretion	212.4	210.3	210.5
Operating lease assets expense	42.3	42.0	—
Loss on extinguishment of debt	55.0	15.3	—
Deferred income taxes	(52.3)	2.9	42.6
Other	(2.9)	3.5	9.6
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable, net	(76.1)	(118.1)	96.3
Prepaid expenses and other assets	(117.8)	(100.7)	(70.9)
Accounts payable	56.0	6.4	3.5
Accrued compensation	38.7	6.5	41.4
Income taxes payable	(57.2)	(40.5)	(269.2)
Other accrued liabilities	4.4	(46.8)	(11.4)
Deferred revenue	61.5	0.9	24.7
Net cash provided by operating activities	612.0	528.9	861.1
Cash flows from investing activities:			
Purchases of property and equipment	(100.4)	(109.6)	(147.4)
Purchases of available-for-sale debt securities	(967.0)	(3,209.8)	(1,228.5)
Proceeds from sales of available-for-sale debt securities	360.4	1,520.0	1,070.2
Proceeds from maturities and redemptions of available-for-sale debt securities	865.0	1,642.3	910.2
Purchases of equity securities	(17.4)	(107.1)	(17.5)
Proceeds from sales of equity securities	9.7	14.2	36.9
Proceeds from Pulse note receivable	50.0	—	—
Payments for business acquisitions, net of cash and cash equivalents acquired	(438.1)	(270.9)	(16.4)
Subsequent payments related to acquisitions in prior years	(45.9)	(7.3)	(42.7)
Other	(5.2)	—	—
Net cash (used in) provided by investing activities	(288.9)	(528.2)	564.8
Cash flows from financing activities:			
Repurchase and retirement of common stock	(381.1)	(554.9)	(756.6)
Proceeds from issuance of common stock	54.7	55.6	56.9
Payment of dividends	(264.1)	(260.1)	(249.3)
Payment of debt	(376.2)	(950.0)	—
Issuance of debt, net	792.4	495.2	—
Payment for debt extinguishment costs	(52.9)	(14.6)	—
Change in customer financing arrangement	—	—	(16.9)
Other	4.8	—	(2.7)
Net cash used in financing activities	(222.4)	(1,228.8)	(968.6)
Effect of foreign currency exchange rates on cash, cash equivalents, and restricted cash	5.8	(1.2)	(10.6)
Net increase in cash, cash equivalents, and restricted cash	106.5	(1,229.3)	446.7
Cash, cash equivalents, and restricted cash at beginning of period	1,276.5	2,505.8	2,059.1
Cash, cash equivalents, and restricted cash at end of period	\$ 1,383.0	\$ 1,276.5	\$ 2,505.8
Supplemental disclosures of cash flow information:			
Cash paid for interest, net of amounts capitalized	\$ 87.2	\$ 90.6	\$ 94.0
Cash paid for income taxes, net	\$ 84.1	\$ 98.8	\$ 181.0

See accompanying Notes to Consolidated Financial Statements

Juniper Networks, Inc.

Consolidated Statements of Changes in Stockholders' Equity
(In millions, except per share amounts)

	Shares	Common Stock and Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2017	365.5	\$ 8,042.1	\$ (5.4)	\$ (3,355.8)	\$ 4,680.9
Net income	—	—	—	566.9	566.9
Other comprehensive loss, net	—	—	(18.5)	—	(18.5)
Issuance of common stock	10.4	56.9	—	—	56.9
Repurchase and retirement of common stock	(29.5)	(395.1)	—	(361.5)	(756.6)
Share-based compensation expense	—	218.2	—	—	218.2
Payment of cash dividends (\$0.72 per share of common stock)	—	(249.3)	—	—	(249.3)
Cumulative adjustment upon adoption of ASU 2014-09 ("Topic 606"), net	—	—	—	324.7	324.7
Reclassification of tax effects upon adoption of ASU 2018-02 ("Topic 220"), net	—	—	5.7	(5.7)	—
Balance at December 31, 2018	346.4	7,672.8	(18.2)	(2,831.4)	4,823.2
Net income	—	—	—	345.0	345.0
Other comprehensive loss, net	—	—	(0.3)	—	(0.3)
Issuance of common stock	9.8	55.6	—	—	55.6
Common stock assumed upon business combination	—	4.6	—	—	4.6
Repurchase and retirement of common stock	(20.3)	(264.6)	—	(250.3)	(514.9)
Purchase of forward contract under accelerated share repurchase program ("ASR")	—	(40.0)	—	—	(40.0)
Share-based compensation expense	—	202.2	—	—	202.2
Payments of cash dividends (\$0.76 per share of common stock)	—	(260.1)	—	—	(260.1)
Cumulative adjustment upon adoption of ASU 2017-12 ("Topic 815"), net	—	—	—	0.1	0.1
Cumulative adjustment upon adoption of ASU 2016-02 ("Topic 842"), net	—	—	—	(4.8)	(4.8)
Balance at December 31, 2019	335.9	7,370.5	(18.5)	(2,741.4)	4,610.6
Net income	—	—	—	257.8	257.8
Other comprehensive loss, net	—	—	74.1	—	74.1
Issuance of common stock	10.0	54.7	—	—	54.7
Common stock assumed upon business combination	—	1.5	—	—	1.5
Repurchase and retirement of common stock	(18.2)	(235.7)	—	(185.4)	(421.1)
Purchase of forward contract under ASR	—	40.0	—	—	40.0
Share-based compensation expense	—	190.0	—	—	190.0
Payments of cash dividends (\$0.80 per share of common stock)	—	(264.1)	—	—	(264.1)
Balance at December 31, 2020	327.7	\$ 7,156.9	\$ 55.6	\$ (2,669.0)	\$ 4,543.5

See accompanying Notes to Consolidated Financial Statements

Juniper Networks, Inc.
Notes to Consolidated Financial Statements

Note 1. Description of Business, Basis of Presentation and Significant Accounting Policies

Description of Business

Juniper Networks, Inc. (the “Company” or “Juniper”) designs, develops, and sells products and services for high-performance networks, to enable customers to build scalable, reliable, secure and cost-effective networks for their businesses, while achieving agility and improved operating efficiency through automation. The Company sells high-performance network products, services, and solutions across routing, switching, and security technologies to customers within its verticals: Cloud, Service Provider, and Enterprise who view the network as critical to their success.

Basis of Presentation

The Consolidated Financial Statements, which include the Company and its wholly-owned subsidiaries, are prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). All intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of the financial statements and related disclosures in accordance with U.S. generally accepted accounting principles (“GAAP”) requires the Company to make judgments, assumptions, and estimates that affect the amounts reported in the Consolidated Financial Statements and the accompanying notes. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes are reasonable under the circumstances, to determine the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates

Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits with banks, highly liquid investments in money market funds, commercial paper, government securities, certificates of deposits, time deposits, and corporate debt securities, which are readily convertible into cash. All highly liquid investments with original maturities of three months or less from Juniper's purchase date are classified as cash equivalents.

Investments in Available-for-Sale Debt Securities

The Company's investments in debt securities are classified as available-for-sale and include the Company's fixed income securities and investments in privately-held companies, consisting of debt and redeemable preferred stock securities. Fixed income securities are initially recorded at cost and periodically adjusted to fair value in the Consolidated Balance Sheets. Unrealized gains and losses on these investments are reported as a separate component of accumulated other comprehensive loss in the Consolidated Balance Sheets. Realized gains and losses are determined based on the specific identification method and are reported in the Consolidated Statements of Operations.

Fixed income securities primarily consist of corporate debt securities, U.S. treasury securities, time deposits, asset-backed securities, certificate of deposits, commercial paper, U.S. government agency securities, and foreign government debt securities. The Company periodically evaluates these investments to determine if impairment charges are required. The Company determines whether a credit loss exists for available-for-sale debt securities in an unrealized loss position. When the fair value of a security is below its amortized cost, the amortized cost will be reduced to its fair value and the resulting loss will be recorded in Consolidated Statements of Operations, if it is more likely than not that we are required to sell the impaired security before recovery of its amortized cost basis, or we have the intention to sell the security. If neither of these conditions are met, the Company considers the extent to which the fair value is less than the amortized cost, any changes to the rating of the security by a rating agency, and review of the issuer. If factors indicate a credit loss exists, an allowance for credit loss is

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

recorded through other expense, net, limited by the amount that the fair value is less than the amortized cost basis. The amount of fair value change relating to all other factors will be recognized in other comprehensive income (OCI).

The Company's privately-held debt and redeemable preferred stock securities are included in other long-term assets in the Consolidated Balance Sheets and are recorded at fair value. Fair value is reassessed when the Company is made aware of information indicating a change in the enterprise value of the investee, including known acquisition offers, subsequent funding rounds, and investee's plans for liquidation. The Company periodically evaluates these securities for indicators of impairment, including the inability to recover a portion of or the entire carrying amount of the investment, the inability of the investee to sustain earnings, the reduction in or termination of financial commitment to the investee from other investors, the intention to sell the investment, and whether it is more likely than not that the Company will be required to sell the investment before recovery of the entire amortized cost basis. If the Company determines that the decline in an investment's value indicates credit losses, the difference is recognized as an impairment loss in its Consolidated Statements of Operations.

Investments in Equity Securities

The Company's investments in equity securities with readily determinable fair values consist of money market funds, amounts under the non-qualified compensation plan ("NQDC") that are invested in mutual funds, and investments in public companies. These investments are measured at fair value with changes in fair value recognized in the Consolidated Statements of Operations.

Equity securities without readily determinable fair values include the Company's investments in privately-held companies consisting of non-redeemable preferred stock and common stock securities. The Company accounts for these securities at cost, adjusted for changes from observable transactions for identical or similar investments of the same issuer, less impairments. Fair value of these equity securities is reassessed when the Company identifies observable price changes indicating that an adjustment upward or downward to the carrying value is necessary. Any observable changes in fair value are recognized in earnings as of the date that the observable transaction took place, rather than the current reporting date. In addition, the Company periodically evaluates equity securities without readily determinable fair values to determine if impairment charges are required by evaluating whether an event or change in circumstance has occurred that may have a significant adverse effect on the fair value of the investment. A qualitative assessment is performed each reporting period to assess whether there are any impairment indicators, including, but not limited to, significant deterioration in the investee's earnings performance; credit rating; asset quality or business prospects; adverse change in the regulatory, economic, or technological environment; change in the general market condition of the geographic area or industry; acquisition offers; and the ability to continue as a going concern. If such indicators are present, the Company estimates the fair value of impaired investments and recognizes an impairment loss in the Consolidated Statement of Operations equal to the difference between the carrying value and fair value.

Fair Value

Fair value is defined as the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, the Company considers the principal or most advantageous market in which it transacts, and considers assumptions that market participants would use when pricing the asset or liability. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. These inputs are valued using market-based approaches.

Level 3 – Inputs are unobservable inputs based on the Company's assumptions. These inputs, if any, are valued using internal financial models.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Derivative Instruments

The Company uses derivative instruments, primarily foreign currency forward and interest rate swap contracts, to hedge certain foreign currency and interest rate exposures. The Company does not enter into derivatives for speculative or trading purposes.

The Company uses foreign currency forward contracts to hedge certain forecasted foreign currency transactions relating to operating expenses. These derivatives are designated as cash flow hedges, which are carried at fair value with the derivative's gain or loss initially reported as a component of accumulated other comprehensive loss, and upon occurrence of the forecasted transaction, is subsequently reclassified into the costs of services or operating expense line item to which the hedged transaction relates. Cash flows from such hedges are classified as operating activities.

The Company also uses foreign currency forward contracts to mitigate variability in gains and losses generated from the re-measurement of certain monetary assets and liabilities denominated in non-functional currencies. These derivatives are carried at fair value with changes recorded in other expense, net in the Consolidated Statements of Operations in the same period as the changes in the fair value from the re-measurement of the underlying assets and liabilities. Cash flows from such derivatives are classified as operating activities.

The Company uses interest rate swaps to convert certain of our fixed interest rate notes to floating interest rates based on the London InterBank Offered Rate (LIBOR). All interest rate swaps will expire within nine years or less. The Company recognizes the change in fair value of the derivative instrument, as well as the offsetting change in the fair value of the hedged item, in Other expense, net in the Consolidated Statements of Operations in the period of change. These derivatives are classified in the Consolidated Statements of Cash Flows in the same section as the underlying item.

The Company uses interest rate locks, which fix the benchmark interest rates of future debt issuance. The Company records changes in fair value of interest rate locks in accumulated other comprehensive income (loss) in the consolidated balance sheets, in the period of change. When the forecasted transaction occurs, the Company will start to amortize the accumulated gains or losses included as a component of other comprehensive income (loss) related to the interest rate lock cash flow hedges to interest expense. In the event the underlying forecasted transaction does not occur, or it becomes probable that it will not occur, the gains or losses on the related cash flow hedge from accumulated other comprehensive income (loss) will be reclassified to other income and expense within the income statement.

The Company presents its derivative assets and derivative liabilities on a gross basis in the Consolidated Balance Sheets. However, under agreements containing provisions on netting with certain counterparties of foreign exchange contracts and interest rate derivatives, subject to applicable requirements, the Company is allowed to net-settle transactions on the same date in the same currency, with a single net amount payable by one party to the other. The Company is neither required to pledge nor entitled to receive cash collateral related to these derivative transactions.

Inventory

Inventory consists primarily of component parts to be used in the manufacturing process and finished goods, and is stated at the lower of cost or net realizable value. In addition, the Company purchases and holds inventory to provide adequate component supplies over the life of the underlying products. Cost is computed using standard cost, which approximates actual cost, on a first-in, first-out basis. A charge is recorded to cost of product when inventory is determined to be in excess of anticipated demand or considered obsolete. At the point of loss recognition, a new, lower-cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in the newly established cost basis.

Leases

The Company determines if an arrangement is a lease at inception. The Company evaluates classification of leases as either operating or finance at commencement and, as necessary, at modification. As of December 31, 2020, the Company did not have any finance leases. Operating leases are included in operating lease right-of-use ("ROU") assets, other accrued liabilities, and operating lease liabilities on the Company's Consolidated Balance Sheets. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease.

Operating lease ROU assets and liabilities are recognized on the commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

lease ROU asset also includes any lease payments made prior to lease commencement and excludes lease incentives. Variable lease payments not dependent on an index or a rate, are expensed as incurred and are not included within the ROU asset and lease liability calculation. Variable lease payments primarily include reimbursements of costs incurred by lessors for common area maintenance and utilities. The Company's lease terms are the noncancelable period, including any rent-free periods provided by the lessor, and include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. At lease inception, and in subsequent periods as necessary, the Company estimates the lease term based on its assessment of extension and termination options that are reasonably certain to be exercised. Lease costs are recognized on a straight-line basis over the lease term.

The Company does not separate non-lease components from lease components for all underlying classes of assets. In addition, the Company does not recognize ROU assets and lease liabilities for short-term leases, which have a lease term of twelve months or less and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. Lease cost for short-term leases is recognized on a straight-line basis over the lease term.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method, over the estimated useful lives of the following assets:

	Estimated Useful Life (years)
Computers, equipment, and software	1.5 to 10
Furniture and fixtures	5 to 7
Building and building improvements	7 to 40
Land improvements	10 to 40
Leasehold improvements	Lease term, not to exceed 10 years

Land is not depreciated. Construction-in-process is related to the construction or development of property and equipment that have not yet been placed in service for their intended use.

Business Combinations

The purchase price of an acquired entity is allocated to tangible assets, liabilities, and intangible assets, including in-process research and development (IPR&D) based on their estimated fair values with the residual of the purchase price recorded as goodwill. The determination of the value of the intangible assets acquired involves certain estimates, such as expected future cash flows, which include consideration of future growth rates and margins, attrition rates, future changes in technology, discount rates, and the expected use of the acquired assets. These factors are also considered in determining the useful life of the acquired intangible assets. IPR&D is initially capitalized at fair value as an intangible asset with an indefinite life and assessed for impairment thereafter. When an IPR&D project is completed, the IPR&D is reclassified as an amortizable purchased intangible asset and amortized over the asset's estimated useful life. Acquisition related expenses are recognized separately from business combination and are expensed as incurred. The Company's Consolidated Financial Statements include the operating results of acquired businesses from the date of each acquisition.

Goodwill and Intangible Assets

Goodwill is tested for impairment annually during the fourth quarter or more frequently if certain circumstances indicate the carrying value of goodwill is impaired. Goodwill is tested for impairment at the reporting unit level. A qualitative assessment is first performed to determine whether it is necessary to quantitatively test goodwill for impairment. This initial assessment includes, among others, consideration of macroeconomic conditions and financial performance. If the qualitative assessment indicates that it is more likely than not that an impairment exists, a quantitative analysis is performed by determining the fair value of each reporting unit using a combination of the discounted cash flow and the market approaches. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. A goodwill impairment loss is recognized for the amount that the carrying amount of a reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. We conducted our annual impairment test of goodwill during the fourth quarters of 2020 and 2019 and determined that no adjustment to the carrying value of goodwill for any reporting units was required.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Intangible assets consist of existing technology, customer relationships, and trade name, which are amortized over the period of estimated benefit using the straight-line method and estimated useful lives of 4 or 5 years. Other intangible assets acquired in a business combination related to IPR&D projects are considered to be indefinite-lived until the completion or abandonment of the associated research and development efforts. Indefinite-lived intangibles are not amortized into the results of operations but instead are evaluated for impairment. If and when development is complete, the associated assets would be deemed finite-lived and would be amortized as cost of revenues over their respective estimated useful lives at that point in time. If the research and development project is abandoned, the acquired IPR&D assets are written off and charged to expense in the period of abandonment.

Impairment of Long-lived Assets

Long-lived assets, such as property, plant, and equipment, ROU assets, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset, or asset group, to estimated undiscounted future cash flows expected to be generated by the asset, or asset group. An impairment charge is recognized by the amount by which the carrying amount of the asset, or asset group, exceeds its fair value.

Warranty Reserves

The Company generally offers a one-year warranty or limited life-time warranty on most of its hardware products, and a 90-day warranty on the media that contains the software embedded in the products. Warranty costs are recognized as part of the Company's cost of sales based on associated material costs, logistics costs, labor costs, and overhead at the time revenue is recognized. Material costs are estimated primarily based upon the historical costs to repair or replace product returns within the warranty period. Labor, logistics and overhead costs are estimated primarily based upon historical trends in the cost to support customer cases within the warranty period. Warranty reserve is reported within other accrued liabilities in the Consolidated Balance Sheets.

Contract Manufacturer Liabilities

The Company establishes a liability for non-cancelable, non-returnable purchase commitments with its contract manufacturers for carrying charges, quantities in excess of its demand forecasts, or obsolete material charges for components purchased by the contract manufacturers to meet the Company's demand forecast or customer orders. The demand forecasts are based upon historical trends and analysis from the Company's sales and marketing organizations, adjusted for overall market conditions.

Loss Contingencies

The Company is subject to the possibility of various loss contingencies arising in the ordinary course of business. Management considers the likelihood of loss related to the incurrence of a liability as well as its ability to reasonably estimate the amount of loss, in determining loss contingencies. An estimated loss contingency is accrued when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The Company regularly evaluates current information available to determine whether such accruals should be adjusted and whether new accruals are required.

Foreign Currency

Assets and liabilities of foreign operations with non-U.S. Dollar functional currency are translated to U.S. Dollars using exchange rates in effect at the end of the period. Revenue and expenses are translated to U.S. Dollars using rates that approximate those in effect during the period. The resulting translation adjustments are included in the Company's Consolidated Balance Sheets in the stockholders' equity section as a component of accumulated other comprehensive loss. The Company remeasures monetary assets and monetary liabilities in non-functional currencies and records the resulting foreign exchange transaction gains and losses in other expense, net in the Consolidated Statements of Operations.

Revenue Recognition

Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services by following a five-step process, (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

transaction price, (4) allocate the transaction price, and (5) recognize revenue when or as the Company satisfies a performance obligation, as further described below.

Identify the contract with a customer. The Company generally considers a sales contract and/or agreement with an approved purchase order as a customer contract provided that collection is considered probable, which is assessed based on the creditworthiness of the customer as determined by credit checks, payment histories, and/or other circumstances. The Company combines contracts with a customer if contracts are negotiated with a single commercial substance or contain price dependencies.

Identify the performance obligations in the contract. Product performance obligations include hardware, software licenses, and service performance obligations including hardware maintenance, software post-contract support and maintenance, Software-as-a-Service ("SaaS"), education and training, and professional services. Certain software licenses and related post-contract support are combined into a single performance obligation when the maintenance updates are critical to the continued delivery of the software functionality.

Determine the transaction price. The transaction price for the Company's contracts with its customers consists of both fixed and variable consideration provided it is probable that a significant reversal of revenue will not occur when the uncertainty related to variable consideration is resolved. Fixed consideration includes amounts to be contractually billed to the customer while variable consideration includes estimates for rights of return, rebates, and price protection, which are based on historical sales returns and price protection credits, specific criteria outlined in rebate agreements, and other factors known at the time. The Company generally invoices customers for hardware, software licenses and related maintenance arrangements at time of delivery, and professional services either upfront or upon meeting certain milestones. Customer invoices are generally due within 30 to 90 days after issuance. The Company's contracts with customers typically do not include significant financing components as the period between the transfer of performance obligations and timing of payment are generally within one year.

Allocate the transaction price to the performance obligations in the contract. For contracts that contain multiple performance obligations, the Company allocates the transaction price to the performance obligations on a relative stand-alone selling price ("SSP") basis. SSP is based on multiple factors including, but not limited to historical discounting trends for products and services, pricing practices in different geographies and through different sales channels, gross margin objectives, internal costs, competitor pricing strategies, and industry technology lifecycles.

Recognize revenue when or as the Company satisfies a performance obligation. Revenue for hardware and certain software licenses, are recognized at a point in time, which is generally upon shipment or delivery. Certain software licenses combined with post-contract support and maintenance are recognized over time on a ratable basis over the term of the license. Revenue for maintenance and software post-contract support and maintenance is recognized over time on a ratable basis over the contract term. Revenue from SaaS, education and training, and professional services is recognized over time as services are completed or ratably over the contractual period of generally one year or less.

Deferred product revenue represents unrecognized revenue related to undelivered product commitments and other shipments that have not met revenue recognition criteria. Deferred service revenue represents billed amounts for service contracts, which include technical support, hardware and software maintenance, professional services, SaaS, and education and training, for which services have not been rendered.

Revenue is recognized net of any taxes collected, which are subsequently remitted to governmental authorities.

Deferred Commissions

Sales commissions earned by the Company's sales force are considered incremental and recoverable costs of obtaining a contract with a customer. These costs are recorded as prepaid expenses or other long-term assets and are deferred and then amortized over a period of benefit which is typically over the term of the customer contracts. Amortization expense is included in sales and marketing expenses in the accompanying Consolidated Statements of Operations.

Research and Development

Costs to research, design, and develop the Company's products are expensed as incurred.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Software Development Costs

Capitalization of software development costs for software to be sold, leased, or otherwise marketed begins when a product's technological feasibility has been established and ends when a product is available for general release to customers. Generally, the Company's products are released soon after technological feasibility has been established. As a result, costs incurred between achieving technological feasibility and product general availability have not been significant.

The Company capitalizes costs associated with internal-use software systems during the application development stage. Such capitalized costs include external direct costs incurred in developing or obtaining the applications and payroll and payroll-related costs for employees, who are directly associated with the development of the applications.

Advertising

Advertising costs are charged to sales and marketing expense as incurred. Advertising expense was \$21.7 million, \$14.6 million, and \$20.0 million, for 2020, 2019, and 2018, respectively.

Share-Based Compensation

The Company measures and recognizes compensation cost for all share-based awards made to employees and directors, including employee stock options, restricted stock awards ("RSAs"), restricted stock units ("RSUs"), performance share awards ("PSAs") and employee stock purchases related to the Employee Stock Purchase Plan ("ESPP"). For service condition only awards, share-based compensation expense is based on the fair value of the underlying awards and amortized on a straight-line basis. For PSAs, share-based compensation expense is amortized on a straight-line basis for each separate vesting portion of the awards. The Company accounts for forfeitures as they occur.

The Company utilizes the Black-Scholes-Merton ("BSM") option-pricing model to estimate the fair value of its ESPP purchase rights. The BSM model requires various highly subjective assumptions that represent management's best estimates of volatility, risk-free interest rate, expected life, and dividend yield. The Company estimates expected volatility based on the implied volatility of market-traded options, on the Company's common stock, adjusted for other relevant factors including historical volatility of the Company's common stock over the most recent period commensurate with the estimated expected life of the Company's ESPP. The expected life of ESPP purchase rights approximates the offering period.

The Company determines the grant date fair value of its RSUs, RSAs, and PSAs based on the closing market price of the Company's common stock on the date of grant, adjusted by the present value of the dividends expected to be paid on the underlying shares of common stock during the requisite and derived service period as these awards are not entitled to receive dividends until vested.

For market-based RSUs, the Company estimates the fair value and derived service period using the Monte Carlo simulation option pricing model ("Monte Carlo model"). The determination of the grant date fair value and derived service periods using the Monte Carlo model is affected by the Company's stock price, comparative market-based returns, as well as various highly subjective assumptions that represent management's best estimates of volatility, risk-free interest rate, and dividend yield. The Company estimates expected volatility based on the implied volatility of market-traded options, on the Company's common stock, adjusted for other relevant factors, including historical volatility of the Company's common stock over the contractual life of the Company's market-based RSUs.

Provision for Income Taxes

Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax basis of assets and liabilities and their reported amounts. Valuation allowances are recorded to reduce deferred tax assets to the amount that will more likely than not be realized.

The Company accounts for uncertainty in income taxes using a two-step approach to recognize and measure uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. The Company classifies the liability for unrecognized tax benefits as current to the extent that the Company anticipates payment (or receipt) of cash within one year. Interest and penalties related to uncertain tax positions

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

are recognized in the provision for income taxes. The Company accounts for the current impacts of U.S. tax on certain foreign subsidiaries income, which is referred to as Global Intangible Low-Taxed Income in the year earned.

Concentrations of Risk

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, investments, derivatives, and accounts receivable. The Company invests only in high-quality credit instruments and maintains its cash, cash equivalents and available-for-sale investments in fixed income securities with several high-quality institutions. Deposits held with banks, including those held in foreign branches of global banks, may exceed the amount of insurance provided on such deposits. We mitigate the concentration of credit risk in our investment portfolio through diversification of the investments in various industries and asset classes, and limits to the amount of credit exposure to any single issuer and credit rating.

The Company's derivatives expose it to credit risk to the extent that counterparties may be unable to meet the terms of the agreement. The Company has a risk assessment and mitigation framework to evaluate the potential risk of loss with any one counterparty resulting from this type of credit risk. As part of this risk mitigation framework, the Company transacts with major financial institutions with high credit ratings and also enters into master netting agreements, which permit net settlement of the transactions with the same counterparty. The Company performs periodic evaluations of the relative credit standing of these financial institutions. Therefore, the Company does not expect material losses as a result of defaults by counterparties.

Generally, credit risk with respect to accounts receivable is diversified due to the number of entities comprising the Company's customer base and their dispersion across different geographic locations throughout the world. The Company performs ongoing credit evaluations of its customers and generally does not require collateral on accounts receivable. During the years ended December 31, 2020, 2019, and 2018, no single customer accounted for 10% or more of net revenues.

The Company relies on sole suppliers for certain critical components such as application-specific integrated circuits. Additionally, the Company relies primarily on a limited number of significant independent contract manufacturers and original design manufacturers for the production of its products. The inability of any supplier or manufacturer to fulfill supply requirements of the Company could negatively impact future operating results.

Recently Adopted Accounting Standards

Fair Value Measurement: On January 1, 2020, the Company adopted ASU No. 2018-13 (Topic 820) Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement, which eliminates, adds, and modifies certain disclosure requirements for fair value measurements under ASC 820. The Company adopted the standard under the prospective approach for certain modified or new disclosure requirements, and all other amendments in the standard under the retrospective approach. See Note 4, *Fair Value Measurements* for required disclosures. Upon adoption, the standard did not have a material impact on the Consolidated Financial Statements.

Simplifying the Test for Goodwill Impairment: On January 1, 2020, the Company adopted ASU No. 2017-04 (Topic 350) Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment, which removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. Under the amended guidance, a goodwill impairment charge will be recognized for the amount by which the carrying value of a reporting unit exceeds its fair value, not to exceed the carrying amount of goodwill. The Company adopted the standard under the prospective approach. Upon adoption, the standard did not have a material impact on the Consolidated Financial Statements.

Credit Losses on Financial Instruments: On January 1, 2020, the Company adopted ASU 2016-13 (Topic 326) Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments, as further clarified by the Financial Accounting Standards Board (the "FASB") through the issuance of additional related ASUs, which requires the measurement and recognition of current expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model, which requires the use of forward-looking information to calculate credit loss estimates. It also eliminates the concept of other-than-temporary impairment and requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. These changes will result in earlier recognition of credit losses. The Company adopted the standard under the modified retrospective approach. Upon adoption, the standard did not have a material impact on the Consolidated Financial Statements. We continue to monitor the financial implications of the COVID-19 pandemic on expected credit losses.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Recent Accounting Standards Not Yet Adopted

Reference Rate Reform: In March 2020, the FASB issued ASU No. 2020-04 (Topic 848), Reference Rate Reform - Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides temporary optional expedients and exceptions to the existing guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate. The standard was effective upon issuance and may generally be applied through December 31, 2022, to any new or amended contracts, hedging relationships, and other transactions that reference LIBOR. The Company is currently evaluating the impact of the transition and disclosure requirements of the standard on its Consolidated Financial Statements.

Simplifying the Accounting for Income Taxes: In December 2019, the FASB issued ASU No. 2019-12 (Topic 740) Income Taxes — Simplifying the Accounting for Income Taxes, which enhances and simplifies various aspects related to accounting for income taxes. This ASU is to be applied on a prospective basis with the exception of certain amendments that are to be applied on either a retrospective or modified retrospective basis. The new standard is effective for interim and annual periods beginning after December 15, 2020. The Company does not expect the adoption to have a material impact on its Consolidated Financial Statements.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 2. Business Combinations

The Company acquired 128 Technology, Inc. ("128 Technology") and Netrounds AB ("Netrounds") in 2020 and Mist Systems, Inc. ("Mist") in 2019. Pro forma results of operations for these acquisitions have not been presented as the financial impact to the Company's consolidated results of operations, both individually and in aggregate, is not material. The goodwill recognized for these acquisitions was primarily attributable to expected synergies and is not deductible for U.S. federal income tax purposes. We continue the process of identifying and evaluating pending escrow claims related to certain tax and legal matters. Accordingly, the preliminary purchase price allocations for 128 Technology and Netrounds are subject to potential measurement period adjustments.

2020 Acquisitions

128 Technology

On November 30, 2020, the Company acquired 100% ownership of 128 Technology for \$448.2 million. The purchase consideration consisted of cash of \$446.8 million and approximately \$1.4 million in share-based awards attributable to employee services prior to the acquisition. The acquisition is expected to enhance Juniper's AI-driven enterprise network portfolio by uniting 128 Technology's session-smart networking with Juniper's campus and branch solutions driven by Mist AI.

Under the terms of the acquisition agreement with 128 Technology, the Company assumed certain share-based awards for continuing employees, which were granted in contemplation of future services. The fair value of these share-based awards was \$29.3 million, which will be expensed as share-based compensation over the remaining service period.

Netrounds

On October 26, 2020, the Company acquired 100% ownership of Netrounds for \$33.6 million of cash. The acquisition of Netrounds, a company that provides a programmable, software-based active test and service assurance platform suitable for fixed and mobile networks, is expected to enhance Juniper's automated WAN solutions by further simplifying operations for service providers and ensuring positive end-user experiences.

2019 Acquisition

Mist

On April 1, 2019, the Company acquired 100% ownership of Mist Systems, Inc. ("Mist") for \$359.2 million. The purchase consideration consisted of cash of \$354.5 million and approximately \$4.6 million in share-based awards attributable to employee services prior to the acquisition. The acquisition of Mist, a company that provides cloud-managed wireless networks powered by artificial intelligence, enhanced Juniper's enterprise networking portfolio by combining Mist's next-generation Wireless LAN platform with Juniper's wired LAN, SD-WAN, and security solutions to deliver integrated end-to-end user and IT experiences.

Under the terms of the acquisition agreement with Mist, the Company assumed certain share-based awards for continuing employees, which were granted in contemplation of future services. The fair value of these share-based awards was \$38.5 million, which will be expensed as share-based compensation over the remaining service period.

Acquisition Costs

The Company recognized \$24.6 million and \$16.6 million of acquisition-related costs during the years ended December 31, 2020 and December 31, 2019, respectively. These acquisition-related costs were expensed in the period incurred within general and administrative expense in the Company's Consolidated Statements of Operations.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition dates (in millions):

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

	2020		2019
	128 Technology	Netrounds	Mist
Cash and cash equivalents	\$ 29.1	\$ 1.0	\$ 38.9
Goodwill	298.8	24.7	228.9
Intangible assets	116.7	8.7	102.0
Other assets acquired	14.3	0.8	15.8
Liabilities assumed	(10.7)	(1.6)	(26.4)
Total	<u>\$ 448.2</u>	<u>\$ 33.6</u>	<u>\$ 359.2</u>

The following table summarizes the fair value of the separately identifiable intangible assets at the time of acquisition and the period over which each intangible asset will be amortized (in millions, except years):

	2020				2019	
	128 Technology		Netrounds		Mist	
	Weighted Average Estimated Useful Life (In Years)	Amount	Weighted Average Estimated Useful Life (In Years)	Amount	Weighted Average Estimated Useful Life (In Years)	Amount
Intangible assets:						
Existing technology	5	\$ 88.0	4	\$ 5.3	5	\$ 81.0
Customer relationships	5	27.0	5	3.4	5	15.0
Trade name	—	—	—	—	5	6.0
Backlog	1.5	1.7	—	—	—	—
Total intangible assets acquired		<u>\$ 116.7</u>		<u>\$ 8.7</u>		<u>\$ 102.0</u>

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 3. Cash Equivalents and Investments

Investments in Available-for-Sale Debt Securities

The following table summarizes the Company's unrealized gains and losses and fair value of investments designated as available-for-sale debt securities as of December 31, 2020 and December 31, 2019 (in millions):

	As of December 31, 2020				As of December 31, 2019			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Fixed income securities:								
Asset-backed securities	\$ 76.5	\$ 0.2	\$ —	\$ 76.7	\$ 81.3	\$ 0.1	\$ —	\$ 81.4
Certificates of deposit	32.9	—	—	32.9	38.6	—	—	38.6
Commercial paper	89.3	—	—	89.3	168.2	—	—	168.2
Corporate debt securities	632.0	5.5	(0.1)	637.4	604.9	0.7	(0.1)	605.5
Foreign government debt securities	4.6	—	—	4.6	11.4	—	—	11.4
Time deposits	255.6	—	—	255.6	226.3	—	—	226.3
U.S. government agency securities	65.3	0.2	—	65.5	89.0	—	—	89.0
U.S. government securities	232.8	1.0	—	233.8	394.3	0.3	(0.1)	394.5
Total fixed income securities	1,389.0	6.9	(0.1)	1,395.8	1,614.0	1.1	(0.2)	1,614.9
Privately-held debt and redeemable preferred stock securities	18.3	37.4	—	\$ 55.7	19.1	37.4	—	56.5
Total available-for-sale debt securities	<u>\$1,407.3</u>	<u>\$ 44.3</u>	<u>\$ (0.1)</u>	<u>\$1,451.5</u>	<u>\$1,633.1</u>	<u>\$ 38.5</u>	<u>\$ (0.2)</u>	<u>\$1,671.4</u>
Reported as:								
Cash equivalents	\$ 333.7	\$ —	\$ —	\$ 333.7	\$ 290.9	\$ —	\$ —	\$ 290.9
Short-term investments	404.3	1.2	—	405.5	733.7	0.5	—	734.2
Long-term investments	651.0	5.7	(0.1)	656.6	589.4	0.6	(0.2)	589.8
Other long-term assets	18.3	37.4	—	55.7	19.1	37.4	—	56.5
Total	<u>\$1,407.3</u>	<u>\$ 44.3</u>	<u>\$ (0.1)</u>	<u>\$1,451.5</u>	<u>\$1,633.1</u>	<u>\$ 38.5</u>	<u>\$ (0.2)</u>	<u>\$1,671.4</u>

The following table presents the contractual maturities of the Company's total fixed income securities as of December 31, 2020 (in millions):

	Amortized Cost	Estimated Fair Value
Due in less than one year	\$ 738.0	\$ 739.2
Due between one and five years	651.0	656.6
Total	<u>\$ 1,389.0</u>	<u>\$ 1,395.8</u>

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

The following tables present the Company's total fixed income securities that were in an unrealized loss position as of December 31, 2020 and December 31, 2019 (in millions):

	As of December 31, 2020					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Fixed income securities:						
Asset-backed securities	\$ 17.5	\$ —	\$ —	\$ —	\$ 17.5	\$ —
Corporate debt securities	61.0	(0.1)	—	—	61.0	(0.1)
Foreign government debt securities	0.6	—	—	—	0.6	—
U.S. government securities	2.3	—	—	—	2.3	—
Total fixed income securities	<u>\$ 81.4</u>	<u>\$ (0.1)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 81.4</u>	<u>\$ (0.1)</u>

	As of December 31, 2019					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Fixed income securities:						
Asset-backed securities	\$ 21.6	\$ —	\$ 5.2	\$ —	\$ 26.8	\$ —
Corporate debt securities	142.6	(0.1)	2.1	—	144.7	(0.1)
Foreign government debt securities	4.0	—	4.0	—	8.0	—
U.S. government agency securities	20.0	—	—	—	20.0	—
U.S. government securities	71.6	(0.1)	—	—	71.6	(0.1)
Total fixed income securities	<u>\$ 259.8</u>	<u>\$ (0.2)</u>	<u>\$ 11.3</u>	<u>\$ —</u>	<u>\$ 271.1</u>	<u>\$ (0.2)</u>

For available-for-sale debt securities that have unrealized losses, the Company assesses impairment by evaluating various factors, including whether (i) it has the intention to sell any of these investments and (ii) whether it is more likely than not that it will be required to sell any of these investments before recovery of the entire amortized cost basis. As of December 31, 2020, the Company had 69 investments in unrealized loss positions. The gross unrealized losses related to these investments were primarily due to changes in market interest rates. The Company anticipates that it will recover the entire amortized cost basis of such available-for-sale debt securities and has determined that no allowance for credit losses were required to be recognized during the years ended December 31, 2020, 2019, and 2018.

During the years ended December 31, 2020, 2019, and 2018, there were no material gross realized gains or losses from available-for-sale debt securities.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Investments in Equity Securities

The following table presents the Company's investments in equity securities as of December 31, 2020 and 2019 (in millions):

	As of December 31,	
	2020	2019
Equity investments with readily determinable fair value		
Money market funds	\$ 536.6	\$ 446.4
Mutual funds	29.3	26.8
Publicly-traded equity securities	6.6	3.8
Equity investments without readily determinable fair value	146.2	133.3
Total equity securities	<u>\$ 718.7</u>	<u>\$ 610.3</u>
Reported as:		
Cash equivalents	\$ 519.8	\$ 442.3
Short-term investments	6.6	3.8
Prepaid expenses and other current assets	9.9	4.1
Other long-term assets	182.4	160.1
Total	<u>\$ 718.7</u>	<u>\$ 610.3</u>

During the years ended December 31, 2020, 2019, and 2018, there were no material unrealized gains or losses recognized for equity investments.

Restricted Cash and Investments

The Company has restricted cash and investments for: (i) amounts held in escrow accounts, as required in connection with certain acquisitions completed primarily in 2019 and 2020; (ii) amounts held under the Company's short-term disability plan in California; and (iii) amounts under the Company's non-qualified deferred compensation plan for senior-level employees. Restricted investments consist of equity investments. As of December 31, 2020, the carrying value of restricted cash and investments was \$67.2 million, of which \$29.0 million was included in prepaid expenses and other current assets and \$38.2 million was included in other long-term assets on the Consolidated Balance Sheets.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash included in the Consolidated Balance Sheets as of December 31, 2020 and December 31, 2019 (in millions):

	As of December 31,	
	2020	2019
Cash and cash equivalents	\$ 1,361.9	\$ 1,215.8
Restricted cash included in Prepaid expenses and other current assets	19.2	60.5
Restricted cash included in Other long-term assets	1.9	0.2
Total cash, cash equivalents, and restricted cash	<u>\$ 1,383.0</u>	<u>\$ 1,276.5</u>

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 4. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table provides a summary of assets and liabilities measured at fair value on a recurring basis and as reported in the Consolidated Balance Sheets (in millions):

	Fair Value Measurements at December 31, 2020				Fair Value Measurements at December 31, 2019			
	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Remaining Inputs (Level 2)	Significant Other Unobservable Remaining Inputs (Level 3)	Total	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Remaining Inputs (Level 2)	Significant Other Unobservable Remaining Inputs (Level 3)	Total
Assets:								
Available-for-sale debt securities:								
Asset-backed securities	\$ —	\$ 76.7	\$ —	\$ 76.7	\$ —	\$ 81.4	\$ —	\$ 81.4
Certificates of deposit	—	32.9	—	32.9	—	38.6	—	38.6
Commercial paper	—	89.3	—	89.3	—	168.2	—	168.2
Corporate debt securities	—	637.4	—	637.4	—	605.5	—	605.5
Foreign government debt securities	—	4.6	—	4.6	—	11.4	—	11.4
Time deposits	—	255.6	—	255.6	—	226.3	—	226.3
U.S. government agency securities	—	65.5	—	65.5	—	89.0	—	89.0
U.S. government securities	140.0	93.8	—	233.8	318.9	75.6	—	394.5
Privately-held debt and redeemable preferred stock securities	—	—	55.7	55.7	—	—	56.5	56.5
Total available-for-sale debt securities	140.0	1,255.8	55.7	1,451.5	318.9	1,296.0	56.5	1,671.4
Equity securities:								
Money market funds	536.6	—	—	536.6	446.4	—	—	446.4
Mutual funds	29.3	—	—	29.3	26.8	—	—	26.8
Publicly-traded equity securities	6.6	—	—	6.6	3.8	—	—	3.8
Total equity securities	572.5	—	—	572.5	477.0	—	—	477.0
Derivative assets:								
Foreign exchange contracts	—	38.0	—	38.0	—	2.5	—	2.5
Interest rate contracts	—	51.0	—	51.0	—	—	—	—
Total derivative assets	—	89.0	—	89.0	—	2.5	—	2.5
Total assets measured at fair value on a recurring basis	\$ 712.5	\$ 1,344.8	\$ 55.7	\$ 2,113.0	\$ 795.9	\$ 1,298.5	\$ 56.5	\$ 2,150.9
Liabilities:								
Derivative liabilities:								
Foreign exchange contracts	\$ —	\$ (0.5)	\$ —	\$ (0.5)	\$ —	\$ (6.8)	\$ —	\$ (6.8)
Interest rate contracts	—	—	—	—	—	(3.1)	—	(3.1)
Total derivative liabilities	—	(0.5)	—	(0.5)	—	(9.9)	—	(9.9)
Total liabilities measured at fair value on a recurring basis	\$ —	\$ (0.5)	\$ —	\$ (0.5)	\$ —	\$ (9.9)	\$ —	\$ (9.9)
Total assets, reported as:								
Cash equivalents	\$ 519.8	\$ 333.7	\$ —	\$ 853.5	\$ 442.3	\$ 290.9	\$ —	\$ 733.2
Short-term investments	101.0	311.1	—	412.1	188.8	549.2	—	738.0
Long-term investments	45.6	611.0	—	656.6	133.9	455.9	—	589.8
Prepaid expenses and other current	9.9	28.0	—	37.9	4.1	2.5	—	6.6
Other long-term assets	36.2	61.0	55.7	152.9	26.8	—	56.5	83.3
Total assets measured at fair value on a recurring basis	\$ 712.5	\$ 1,344.8	\$ 55.7	\$ 2,113.0	\$ 795.9	\$ 1,298.5	\$ 56.5	\$ 2,150.9

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

	Fair Value Measurements at December 31, 2020				Fair Value Measurements at December 31, 2019			
	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Remaining Inputs (Level 2)	Significant Other Unobservable Remaining Inputs (Level 3)	Total	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Remaining Inputs (Level 2)	Significant Other Unobservable Remaining Inputs (Level 3)	Total
Total liabilities, reported as:								
Other accrued liabilities	\$ —	\$ (0.3)	\$ —	\$ (0.3)	\$ —	\$ (6.8)	\$ —	\$ (6.8)
Other long-term liabilities	—	(0.2)	—	(0.2)	—	(3.1)	—	(3.1)
Total liabilities measured at fair value on a recurring basis	<u>\$ —</u>	<u>\$ (0.5)</u>	<u>\$ —</u>	<u>\$ (0.5)</u>	<u>\$ —</u>	<u>\$ (9.9)</u>	<u>\$ —</u>	<u>\$ (9.9)</u>

The Company's Level 2 available-for-sale debt securities are priced using quoted market prices for similar instruments or non-binding market prices that are corroborated by observable market data. The Company uses inputs such as actual trade data, benchmark yields, broker/dealer quotes, or alternative pricing sources with reasonable levels of price transparency which are obtained from quoted market prices, independent pricing vendors, or other sources, to determine the ultimate fair value of these assets. The Company's derivative instruments are classified as Level 2, as they are not actively traded and are valued using pricing models that use observable market inputs. During the years ended December 31, 2020 and 2019, the Company had no transfers into or out of Level 3 of the fair value hierarchy of its assets or liabilities measured at fair value.

The Company's privately-held debt and redeemable preferred stock securities are classified as Level 3 assets due to the lack of observable inputs to determine fair value. The Company estimates the fair value of its privately-held debt and redeemable preferred stock securities on a recurring basis using an analysis of the financial condition and near-term prospects of the investee, including recent financing activities and the investee's capital structure. During the year ended December 31, 2020, there were no material activities related to privately-held debt and redeemable preferred stock.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

The Company's investments in equity securities without readily determinable fair value are classified as Level 3 assets due to the lack of observable inputs to determine fair value. The Company estimates the fair value on a nonrecurring basis (i.e. when an observable transaction occurs) using an analysis of the financial condition and near-term prospects of the investee, including recent financing activities and the investee's capital structure. As of December 31, 2020 and December 31, 2019, there have been no material adjustments for price changes to the equity securities without readily determinable fair value.

Certain of the Company's assets, including intangible assets and goodwill, are measured at fair value on a nonrecurring basis. There were no significant impairment charges recognized during the years ended December 31, 2020, 2019, and 2018.

As of December 31, 2020 and 2019, the Company had no liabilities measured at fair value on a nonrecurring basis.

Assets and Liabilities Not Measured at Fair Value

The carrying amounts of the Company's accounts receivable, accounts payable, and other accrued liabilities approximate fair value due to their short maturities. As of December 31, 2020 and December 31, 2019, the estimated fair value of the Company's total outstanding debt in the Consolidated Balance Sheets was \$2,386.6 million and \$1,852.1 million, respectively, based on observable market inputs (Level 2). The carrying value of a contract manufacturer deposit of \$43.6 million, reported within other long-term assets in the Consolidated Balance Sheets approximates its fair value as of December 31, 2020. See Note 7, *Other Financial Information*, for further information on contract manufacturer deposit.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 5. Derivative Instruments

The notional amount of the Company's derivative instruments is summarized as follows (in millions):

	As of December 31,	
	2020	2019
Designated derivatives:		
Cash flow hedges:		
Foreign currency contracts	\$ 722.1	\$ 484.0
Interest rate lock contracts	650.0	—
Fair value hedges:		
Interest rate swap contracts	300.0	300.0
Total designated derivatives	\$ 1,672.1	\$ 784.0
Non-designated derivatives	174.1	162.9
Total	\$ 1,846.2	\$ 946.9

The fair value of derivative instruments on the Consolidated Balance Sheets was as follows:

		As of December 31,	
		2020	2019
Derivative assets:			
Derivatives designated as hedging instruments:			
Foreign currency contracts as cash flow hedges	Other current assets	\$ 27.8	\$ 2.2
Foreign currency contracts as cash flow hedges	Other long-term assets	10.0	0.3
Interest rate lock contracts	Other long-term assets	30.7	—
Interest rate swap contracts	Other long-term assets	20.3	—
Total derivatives designated as hedging instruments		\$ 88.8	\$ 2.5
Derivatives not designated as hedging instruments	Other current assets	0.2	—
Total derivative assets		\$ 89.0	\$ 2.5
Derivative liabilities:			
Derivatives designated as hedging instruments:			
Foreign currency contracts	Other accrued liabilities	\$ 0.2	\$ 6.6
Foreign currency contracts	Other long-term liabilities	0.2	—
Interest rate swap contracts	Other long-term liabilities	—	3.1
Total derivatives designated as hedging instruments		\$ 0.4	\$ 9.7
Derivatives not designated as hedging instruments	Other accrued liabilities	0.1	0.2
Total derivative liabilities		\$ 0.5	\$ 9.9

Designated Derivatives

The Company uses foreign currency forward contracts to hedge the Company's planned cost of revenues and operating expenses denominated in foreign currencies. These derivatives are designated as cash flow hedges and typically have maturities of thirty-six months or less.

In 2020, the Company entered into interest rate locks with large financial institutions, which fix the benchmark interest rates of future debt issuance for an aggregate notional amount of \$650.0 million. These contracts are designated as cash flow hedges and are expected to terminate within 4 years and 9 months.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

In 2019, the Company entered into interest rate swaps with an aggregate notional amount of \$300.0 million designated as fair value hedges of our fixed-rate 2041 Notes. These swaps convert the fixed interest rates of the notes to floating interest rates based on the London InterBank Offered Rate (LIBOR). All interest rate swaps will expire within nine years or less.

Effect of Derivative Instruments on the Consolidated Statements of Operations

For cash flow hedges, the Company recognized an unrealized gain of \$63.5 million, and unrealized losses of \$6.3 million and \$8.7 million in accumulated other comprehensive loss for the effective portion of its derivative instruments during the years ended December 31, 2020, 2019, and 2018, respectively.

For foreign currency forward contracts, the Company reclassified losses of \$9.0 million and \$3.8 million and a gain of \$0.9 million out of accumulated other comprehensive loss to cost of revenues and operating expenses in the Consolidated Statement of Operations during the years ended December 31, 2020, 2019, and 2018, respectively. As of December 31, 2020, an estimated \$27.7 million of unrealized net gain within accumulated other comprehensive loss is expected to be reclassified into earnings within the next twelve months.

Non-Designated Derivatives

The Company also uses foreign currency forward contracts to mitigate variability in gains and losses generated from the remeasurement of certain monetary assets and liabilities denominated in foreign currencies. These foreign exchange forward contracts typically have maturities of approximately one to four months. The outstanding non-designated derivative instruments are carried at fair value. Changes in the fair value of these derivatives recorded in other expense, net within the Consolidated Statements of Operations were not material during the years ended December 31, 2020, 2019, and 2018, respectively.

See Note 1, *Description of Business, Basis of Presentation and Significant Accounting Policies*, for the Company's policy regarding the offsetting of derivative assets and derivative liabilities.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 6. Goodwill and Purchased Intangible Assets

Goodwill

The Company's goodwill activity was as follows (in millions):

	Total
December 31, 2018	\$ 3,108.8
Additions due to business combinations	228.3
December 31, 2019	3,337.1
Additions due to business combinations	332.5
December 31, 2020	\$ 3,669.6

In the fourth quarter of 2020, the Company performed its annual goodwill impairment test for the three reporting units: Routing, Switching, and Security. There was no goodwill impairment during the years ended December 31, 2020, 2019, and 2018.

Purchased Intangible Assets

The Company's purchased intangible assets, net, were as follows (in millions):

	As of December 31, 2020				As of December 31, 2019			
	Gross	Accumulated Amortization	Accumulated Impairments and Other Charges	Net	Gross	Accumulated Amortization	Accumulated Impairments and Other Charges	Net
Finite-lived intangible assets:								
Technologies and patents	\$ 823.5	\$ (598.2)	\$ (55.1)	\$ 170.2	\$ 729.1	\$ (564.0)	\$ (49.9)	\$ 115.2
Customer contracts, support agreements, and related relationships	129.2	(84.4)	(2.8)	42.0	98.6	(79.3)	(2.8)	16.5
Trade names and other	9.6	(4.1)	—	5.5	7.9	(2.8)	—	5.1
Total	962.3	(686.7)	(57.9)	217.7	835.6	(646.1)	(52.7)	136.8
Indefinite-lived intangible assets:								
IPR&D	49.0	—	—	49.0	49.0	—	—	49.0
Total purchased intangible assets	<u>\$1,011.3</u>	<u>\$ (686.7)</u>	<u>\$ (57.9)</u>	<u>\$ 266.7</u>	<u>\$ 884.6</u>	<u>\$ (646.1)</u>	<u>\$ (52.7)</u>	<u>\$ 185.8</u>

Amortization expense related to purchased intangible assets with finite lives was \$40.6 million, \$34.7 million, and \$17.4 million for the years ended December 31, 2020, 2019, and 2018, respectively. There were no significant impairment charges related to purchased intangible assets during the years ended December 31, 2020, 2019, and 2018.

As of December 31, 2020, the estimated future amortization expense of purchased intangible assets with finite lives is as follows (in millions):

<u>Years Ending December 31,</u>	<u>Amount</u>
2021	\$ 60.0
2022	54.0
2023	50.8
2024	31.3
2025	21.6
Total	<u>\$ 217.7</u>

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 7. Other Financial Information

Inventory

Total inventory consisted of the following (in millions):

	As of December 31,	
	2020	2019
Production and service materials	\$ 158.1	\$ 69.0
Finished goods	63.8	25.2
Inventory	<u>\$ 221.9</u>	<u>\$ 94.2</u>
Reported as:		
Prepaid expenses and other current assets	\$ 210.2	\$ 90.6
Other long-term assets	11.7	3.6
Total	<u>\$ 221.9</u>	<u>\$ 94.2</u>

Property and Equipment, Net

Property and equipment, net, consisted of the following (in millions):

	As of December 31,	
	2020	2019
Computers and equipment	\$ 1,057.5	\$ 1,041.4
Software	231.1	228.6
Leasehold improvements	223.8	216.9
Furniture and fixtures	49.6	48.3
Building and building improvements	256.0	255.0
Land and land improvements	243.5	243.5
Construction-in-process	17.7	12.9
Property and equipment, gross	2,079.2	2,046.6
Accumulated depreciation	(1,316.9)	(1,215.7)
Property and equipment, net	<u>\$ 762.3</u>	<u>\$ 830.9</u>

Depreciation expense was \$166.2 million, \$184.0 million, and \$193.2 million in 2020, 2019, and 2018, respectively.

Notes Receivable and Deposit

Total outstanding notes receivable and deposit, net of issuance costs, reported within other long-term assets in the Consolidated Balance Sheets were as follows (in millions):

	As of December 31,	
	2020	2019
Pulse Note (including accumulated interest paid in kind)	\$ —	\$ 78.9
Contract manufacturer deposit (non-interest bearing)	43.6	46.0
Total	<u>\$ 43.6</u>	<u>\$ 124.9</u>

In 2020, the Company received payment against the promissory note receivable, with a maturity date of September 30, 2022, in connection with the previously completed sale of Junos Pulse ("Pulse Note"). The borrower exercised its prepayment option and paid the outstanding principal of \$50.0 million along with the accumulated interest of \$37.7 million and other payments of \$4.1 million, aggregating to \$91.8 million, in full.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

The Company has a non-interest bearing deposit balance of \$43.6 million, net of an unamortized discount balance of \$1.6 million, to a contract manufacturer. The discount is calculated based on an imputed interest rate of 5.0% at December 31, 2020. The imputed interest is amortized over the term of the deposit to interest income along with a corresponding charge to cost of revenues. The deposit was classified as an other long-term asset on the Consolidated Balance Sheets.

The Company considers contract manufacturer deposits to be impaired when, based on current information and events, it is probable that the Company will not be able to collect the outstanding amounts. No impairment charge was required as of December 31, 2020, 2019, and 2018.

Warranties

Changes in the Company's warranty reserve were as follows (in millions):

	As of December 31,	
	2020	2019
Beginning balance	\$ 31.4	\$ 28.0
Provisions made during the period, net	37.1	39.0
Actual costs incurred during the period	(38.3)	(35.6)
Ending balance	<u>\$ 30.2</u>	<u>\$ 31.4</u>

Deferred Revenue

Details of the Company's deferred revenue, as reported in the Consolidated Balance Sheets, were as follows (in millions):

	As of December 31,	
	2020	2019
Deferred product revenue	\$ 104.7	\$ 132.6
Deferred service revenue	1,181.1	1,090.8
Total	<u>\$ 1,285.8</u>	<u>\$ 1,223.4</u>
Reported as:		
Current	\$ 867.3	\$ 812.9
Long-term	418.5	410.5
Total	<u>\$ 1,285.8</u>	<u>\$ 1,223.4</u>

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Revenue

See Note 12, *Segments*, for disaggregated revenue by product and service, customer vertical, and geographic region.

Product revenue of \$72.3 million included in deferred revenue at January 1, 2020 was recognized during the year ended December 31, 2020. Service revenue of \$717.3 million included in deferred revenue at January 1, 2020 was recognized during the year ended December 31, 2020.

The following table summarizes the transaction price for contracts that have not yet been recognized as revenue as of December 31, 2020 and when the Company expects to recognize the amounts as revenue (in millions):

	Revenue Recognition Expected by Period			
	Total	Less than 1 year	1-3 years	More than 3 years
Product	\$ 105.5	\$ 85.4	\$ 17.0	\$ 3.1
Service ^(*)	1,194.4	789.6	332.0	72.8
Total	\$ 1,299.9	\$ 875.0	\$ 349.0	\$ 75.9

^(*) Represents unearned service revenue allocated to the performance obligations not delivered or partially delivered as of December 31, 2020. The unearned service revenue is comprised of deferred revenue and non-cancellable contract revenue which has not been invoiced yet.

Deferred Commissions

Deferred commissions were \$27.4 million and \$24.1 million as of December 31, 2020 and 2019, respectively. During the years ended December 31, 2020 and 2019, amortization expense for the deferred commissions were \$145.9 million and \$130.9 million, respectively, and there were no impairment charges recognized.

Other Expense, Net

Other expense, net consisted of the following (in millions):

	Years Ended December 31,		
	2020	2019	2018
Interest income	\$ 36.3	\$ 79.1	\$ 72.7
Interest expense	(77.0)	(88.7)	(103.2)
Gain (loss) on investments, net	13.3	(3.8)	(7.4)
Other	(5.5)	0.9	(1.6)
Other expense, net	\$ (32.9)	\$ (12.5)	\$ (39.5)

Interest income primarily includes interest earned on the Company's cash, cash equivalents, investments, and promissory note issued to the Company in connection with the sale of Junos Pulse. Interest expense primarily includes interest, net of capitalized interest expense, from long-term debt and customer financing arrangements. (Loss) gain on investments, net, primarily includes (loss) gains from the sale of investments in public and privately-held companies, and any observable changes in fair value and impairment charges recorded on these investments. Other typically consists of foreign exchange gains and losses and other non-operational income and expense items.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 8. Restructuring Charges

The following table presents restructuring charges included in the Consolidated Statements of Operations (in millions):

	Years Ended December 31,		
	2020	2019	2018
Severance	\$ 62.8	\$ 21.5	\$ 8.3
Contract terminations	—	11.7	(1.0)
Facility consolidations and other	5.2	2.1	—
Total	<u>\$ 68.0</u>	<u>\$ 35.3</u>	<u>\$ 7.3</u>
Reported as:			
Restructuring charges	\$ 68.0	\$ 35.3	\$ 7.3
Total	<u>\$ 68.0</u>	<u>\$ 35.3</u>	<u>\$ 7.3</u>

2020 Restructuring Plan

In 2020, the Company initiated a restructuring plan (the "2020 Restructuring Plan") designed to realign its workforce with the Company's sales strategy, enhance productivity and cost efficiencies, and enable reinvestment in certain key priority areas, which resulted in severance costs of \$16.8 million and other exit related costs, including impairment charges, of \$5.2 million. In connection with the 2020 Restructuring Plan, during the fourth quarter of 2020, the Company implemented a voluntary early retirement program for employees who met certain eligibility requirements, which resulted in additional severance costs of \$46.0 million that were recorded to restructuring charges in the Consolidated Statement of Operations. The 2020 Restructuring Plan related activities are expected to be completed in 2021.

Prior Restructuring Activities

In 2019, the Company initiated a restructuring plan (the "2019 Restructuring Plan") to realign its workforce with the Company's sales strategy, improve productivity, and enhance cost efficiencies, which resulted in severance, facility consolidation, and contract termination costs that were recorded to restructuring charges in the Consolidated Statement of Operations.

In 2018, the Company initiated a restructuring plan to realign its workforce as a result of organizational and leadership changes, which resulted in severance and contract termination costs that were recorded to restructuring charges in the Consolidated Statement of Operations.

Restructuring Liabilities

Restructuring liabilities are reported within other accrued liabilities in the Consolidated Balance Sheets. The following table provides a summary of changes in the restructuring liabilities associated with the 2020 Restructuring Plan and 2019 Restructuring Plan (in millions):

	December 31, 2019	Charges/ (Benefits)	Cash Payments	Other	December 31, 2020
Severance	\$ 0.7	\$ 62.8	\$ (12.3)	\$ (0.5)	\$ 50.7
Facility consolidations and other	—	5.2	—	(5.2)	—
Total	<u>\$ 0.7</u>	<u>\$ 68.0</u>	<u>\$ (12.3)</u>	<u>\$ (5.7)</u>	<u>\$ 50.7</u>

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 9. Debt and Financing

Debt

The following table summarizes the Company's total debt (in millions, except percentages):

			As of December 31,	
	Maturity Date	Effective Interest Rates	2020	2019
Senior Notes ("Notes"):				
4.500% fixed-rate notes ⁽¹⁾ ("2024 Notes")	March 2024	4.70 %	\$ 265.8	\$ 500.0
4.350% fixed-rate notes ("2025-I Notes")	June 2025	4.47 %	158.0	300.0
1.200% fixed-rate notes ("2025-II Notes")	December 2025	1.37 %	400.0	—
3.750% fixed-rate notes ("2029 Notes")	August 2029	3.86 %	500.0	500.0
2.000% fixed-rate notes ("2030 Notes")	December 2030	2.12 %	400.0	—
5.950% fixed-rate notes ("2041 Notes")	March 2041	6.03 %	400.0	400.0
Total Notes			2,123.8	1,700.0
Unaccreted discount and debt issuance costs			(16.8)	(13.0)
Hedge accounting fair value adjustments ⁽²⁾			20.3	(3.1)
Total			\$ 2,127.3	\$ 1,683.9

(1) 2024 Notes issued in March 2014 and February 2016 form a single series and are fully fungible. The effective interest rate for 2014 and 2016 issuance is 4.63% and 4.87%, respectively, with the weighted average effective interest rate being 4.70%.

(2) Represents the fair value adjustments for interest rate swap contracts with an aggregate notional amount of \$300.0 million designated as fair value hedges of our fixed-rate 2041 Notes. See Note 5, *Derivative Instruments*, for a discussion of the Company's interest rate swaps.

In December 2020, the Company issued \$400.0 million aggregate principal amount of 1.20% senior notes due 2025 ("2025-II Notes") and \$400.0 million aggregate principal amount of 2.00% senior notes due 2030 ("2030 Notes"). The net proceeds from the issuances of the 2025-II Notes and the 2030 Notes, together with cash on hand, were used for the repayment of \$500.0 million aggregate principal amount of the Company's 4.50% senior notes due 2024 and \$300.0 million aggregate principal amount of the Company's 4.35% senior notes due 2025.

In December 2020, the Company, through a cash tender offer, partly repurchased \$234.2 million in aggregate principal amount of 2024 Notes and \$142.0 million in aggregate principal amount of 2025-I Notes. The repayments resulted in a loss on extinguishment of debt of \$55.0 million, consisting primarily of a premium on the tender offer and acceleration of unamortized debt discount and fees on the redeemed debt, which was recorded within the Consolidated Statements of Operations.

Subsequently in January 2021, the Company redeemed the remaining outstanding 2024 Notes and 2025-I Notes. See Note 17, *Subsequent Events*, for further discussion on the redemption.

The Notes above are the Company's senior unsecured and unsubordinated obligations, ranking equally in right of payment to all of the Company's existing and future senior unsecured and unsubordinated indebtedness, and senior in right of payment to any of the Company's future indebtedness that is expressly subordinated to the Notes.

As of December 31, 2020, the Company's aggregate debt maturities based on outstanding principal were as follows (in millions):

Years Ending December 31,	Amount
2021 ^(*)	\$ 423.8
2025	400.0
Thereafter	1,300.0
Total	<u>\$ 2,123.8</u>

(*) Represents remaining outstanding 2024 Notes and 2025-I Notes redeemed by the Company in January 2021. See Note 17, *Subsequent Events*, for further discussion on the redemption.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

The Company may redeem the Notes, either in whole or in part, at any time at a redemption price equal to the greater of (i) 100% of the aggregate principal amount of the Notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments discounted to the redemption date, plus, in either case, accrued and unpaid interest, if any.

In the event of a change of control repurchase event, the holders of the Notes may require the Company to repurchase for cash all or part of the Notes at a purchase price equal to 101% of the aggregate principal amount, plus accrued and unpaid interest, if any.

Interest on the Notes is payable in cash semiannually. The effective interest rates for the Notes include the interest on the Notes, accretion of the discount, and amortization of issuance costs. The indentures that govern the Notes also contain various covenants, including limitations on the Company's ability to incur liens or enter into sale-leaseback transactions over certain dollar thresholds.

As of December 31, 2020, the Company was in compliance with all covenants in the indenture governing the Notes.

Revolving Credit Facility

In April 2019, the Company entered into a credit agreement (the "Credit Agreement") with certain institutional lenders that provides for a five-year \$500.0 million unsecured revolving credit facility (the "Revolving Credit Facility"), with an option to increase the Revolving Credit Facility by up to an additional \$200.0 million, subject to the lenders' approval. Proceeds of loans made under the Revolving Credit Facility may be used by the Company for working capital and general corporate purposes. The Revolving Credit Facility will terminate in April 2024, subject to a one-year maturity extension option, on the terms and conditions as set forth in the credit agreement.

Borrowings under the Revolving Credit Facility will bear interest, at either (i) a floating rate per annum equal to the base rate plus a margin of between 0.00% and 0.375%, depending on the Company's public debt rating or (ii) a per annum rate equal to the reserve adjusted Eurocurrency rate, plus a margin of between 0.910% and 1.375%, depending on the Company's public debt rating. Base rate is defined as the greatest of (A) Citibank's base rate, (B) the federal funds rate plus 0.500% or (C) the ICE Benchmark Administration Settlement Rate applicable to dollars for a period of one month plus 1.00%. The Eurocurrency rate is determined for U.S. dollars and Pounds Sterling as the rate at which deposits in such currency are offered in the London interbank market for the applicable interest period and for Euro as the rate specified for deposits in Euro with a maturity comparable to the applicable interest period.

The Revolving Credit Facility requires the Company to maintain a leverage ratio no greater than 3.0x (provided that if a material acquisition has been consummated, the Company is permitted to maintain a leverage ratio no greater than 3.5x for up to four quarters) and an interest coverage ratio no less than 3.0x during the term of the credit facility.

As of December 31, 2020, the Company had not borrowed any funds under the Credit Agreement and was in compliance with all covenants in the Credit Agreement.

Financing Arrangements

The Company provides certain customers with access to extended financing arrangements that allow for longer payment terms than those typically provided by the Company by factoring accounts receivable to third-party financing providers ("financing providers"). The program does not and is not intended to affect the timing of the Company's revenue recognition. Under the financing arrangements, proceeds from the financing providers are due to the Company within 1 to 90 days from the sale of the receivable. In these transactions with the financing providers, the Company surrenders control over the transferred assets.

Pursuant to the financing arrangements for the sale of receivables, the Company sold receivables of \$57.5 million, \$64.0 million and \$122.8 million during the years ended December 31, 2020, 2019, and 2018, respectively. The Company received cash proceeds from financing providers of \$57.4 million, \$69.7 million, and \$123.2 million during the years ended December 31, 2020, 2019, and 2018, respectively. As of December 31, 2020 and December 31, 2019, the amounts owed by the financing providers were \$3.9 million and \$5.3 million, respectively, which were recorded in accounts receivable on the Company's Consolidated Balance Sheets.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 10. Equity

The following table summarizes dividends paid, stock repurchases and retirements under the Company's stock repurchase programs, and stock repurchases for tax withholdings (in millions, except per share amounts):

Year	Dividends		Stock Repurchases				Total	
	Per Share	Amount	Shares	Average price per share ^(*)	Amount	Tax Withholding Amount	Amount	Amount
2020	\$ 0.80	\$ 264.1	17.9	\$ 23.47	\$ 375.0	\$ 6.2	\$ 645.3	
2019	\$ 0.76	\$ 260.1	20.1	\$ 25.36	\$ 550.0	\$ 5.0	\$ 815.1	
2018	\$ 0.72	\$ 249.3	29.3	\$ 25.62	\$ 750.0	\$ 6.6	\$ 1,005.9	

(*) \$23.47 average price per share for 2020 includes \$375.0 million in open market purchases, and settlement of the forward contract of \$40.0 million under the ASR, which was initiated during the fourth quarter of 2019.

Cash Dividends on Shares of Common Stock

During 2020, 2019, and 2018, the Company declared and paid quarterly cash dividends of \$0.20, \$0.19 and \$0.18 per common share, totaling \$264.1 million, \$260.1 million, and \$249.3 million, respectively, on its outstanding common stock. Any future dividends, and the establishment of record and payment dates, are subject to approval by the Board of Directors (the "Board") of Juniper or an authorized committee thereof. See Note 17, *Subsequent Events*, for discussion of the Company's dividend declaration subsequent to December 31, 2020.

Stock Repurchase Activities

In January 2018, the Board approved a \$2.0 billion share repurchase program ("2018 Stock Repurchase Program"). In October 2019, the Board authorized a \$1.0 billion increase to the 2018 Stock Repurchase Program for a total of \$3.0 billion.

As part of the 2018 Stock Repurchase Program, in February 2018 and April 2019, the Company entered into two accelerated share repurchase programs ("ASR") and repurchased \$750.0 million and \$300.0 million of the Company's common stock, respectively. The aggregate number of shares ultimately repurchased of 29.3 million and 11.6 million shares of the Company's common stock was determined based on a volume weighted average repurchase price, less an agreed upon discount, of \$25.62 and \$25.79 per share, respectively. The shares received by the Company were retired, accounted for as a reduction to stockholder's equity in the Consolidated Balance Sheets, and treated as a repurchase of common stock for purposes of calculating earnings per share.

As part of the 2018 Stock Repurchase Program, in October 2019, the Company entered into an ASR with a financial institution to repurchase an aggregate of \$200.0 million of the Company's outstanding common stock. The Company made an up-front payment of \$200.0 million pursuant to the ASR and received and retired an initial 6.4 million shares of the Company's common stock for an aggregate price of \$160.0 million based on the market price of \$25.15 per share of the Company's common stock on the date of the transaction. In January, 2020, the ASR was completed, and an additional 1.8 million shares were received for a total repurchase of 8.2 million shares of the Company's common stock at a volume weighted average repurchase price, less an agreed upon discount, of \$24.44 per share. The shares received by the Company were retired, accounted for as a reduction to stockholder's equity in the Consolidated Balance Sheets, and treated as a repurchase of common stock for purposes of calculating earnings per share.

During the fiscal year ended December 31, 2020, the Company repurchased 16.1 million shares of its common stock in the open market, for an aggregate purchase price of \$375.0 million at an average price of \$23.36 per share, under the 2018 Stock Repurchase Program.

As of December 31, 2020, there were \$1.3 billion of authorized funds remaining under the 2018 Stock Repurchase Program. See Note 17, *Subsequent Events*, for a discussion of the Company's stock repurchase activity subsequent to December 31, 2020.

Future share repurchases under the 2018 Stock Repurchase Program will be subject to a review of the circumstances at that time and will be made from time to time in private transactions or open market purchases as permitted by securities laws and other legal requirements.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

In addition to repurchases under the 2018 Stock Repurchase Program, the Company withholds shares of common stock from certain employees in connection with the vesting of stock awards issued to such employees to satisfy applicable tax withholding requirements. Such withheld shares are treated as common stock repurchases in our financial statements as they reduce the number of shares that would have been issued upon vesting. Repurchases associated with tax withholdings were not material during the years ended December 31, 2020, 2019, and 2018.

Accumulated Other Comprehensive Loss, Net of Tax

The components of accumulated other comprehensive loss, net of related taxes, for the years ended December 31, 2020, 2019, and 2018 were as follows (in millions):

	Unrealized Gains/Losses on Available-for- Sale Debt Securities ⁽¹⁾	Unrealized Gains/Losses on Cash Flow Hedges ⁽²⁾	Foreign Currency Translation Adjustments	Total
Balance as of December 31, 2017	\$ 19.0	\$ 6.0	\$ (30.4)	\$ (5.4)
Other comprehensive income (loss) before reclassifications	0.6	(6.4)	(12.4)	(18.2)
Amount reclassified from accumulated other comprehensive income (loss)	0.9	(1.2)	—	(0.3)
Other comprehensive income (loss), net	1.5	(7.6)	(12.4)	(18.5)
Reclassification of tax effects upon adoption of ASU 2018-02	5.0	0.7	—	5.7
Balance as of December 31, 2018	\$ 25.5	\$ (0.9)	\$ (42.8)	\$ (18.2)
Other comprehensive income (loss) before reclassifications	4.6	(8.9)	(1.1)	(5.4)
Amount reclassified from accumulated other comprehensive income (loss)	(0.4)	5.5	—	5.1
Other comprehensive income (loss), net	4.2	(3.4)	(1.1)	(0.3)
Balance as of December 31, 2019	\$ 29.7	\$ (4.3)	\$ (43.9)	\$ (18.5)
Other comprehensive income before reclassifications	5.7	54.4	7.7	67.8
Amount reclassified from accumulated other comprehensive income (loss)	(1.3)	7.6	—	6.3
Other comprehensive income, net	4.4	62.0	7.7	74.1
Balance as of December 31, 2020	\$ 34.1	\$ 57.7	\$ (36.2)	\$ 55.6

⁽¹⁾ The reclassifications out of accumulated other comprehensive income (loss) during the years ended December 31, 2020, 2019, and 2018 for realized gains on available-for-sale debt securities were not material, and were included in other expense, net, in the Consolidated Statements of Operations.

⁽²⁾ The reclassifications out of accumulated other comprehensive income (loss) during the years ended December 31, 2020, 2019, and 2018 for realized gains and losses on cash flow hedges were not material, and were included within cost of revenues, research and development, sales and marketing, and general and administrative in the Consolidated Statements of Operations.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 11. Employee Benefit Plans

Equity Incentive Plans

The Company's equity incentive plans include the 2015 Equity Incentive Plan (the "2015 Plan") and the 2008 Employee Stock Purchase Plan (the "ESPP"). The Company has granted RSUs and PSAs under the 2015 Plan and purchase rights under the ESPP. In addition, in connection with certain past acquisitions, the Company has assumed or substituted stock options, RSUs, RSAs, and PSAs granted under the stock plans of the acquired companies. Such awards were converted into or replaced with the Company's stock options, RSUs, RSAs, and PSAs, respectively.

The 2015 Plan was adopted and approved by the Company's stockholders in May 2015 and had an initial authorized share reserve of 38.0 million shares of common stock, plus the addition of any shares subject to outstanding awards under the 2006 Equity Incentive Plan and the Amended and Restated 1996 Stock Plan that were outstanding as of May 19, 2015, and that subsequently expire or otherwise terminate, up to a maximum of an additional 29.0 million shares. In May 2017, the Company's stockholders approved an additional 23.0 million shares of common stock for issuance under the 2015 Plan, and in May 2019, the Company's stockholders approved an additional 3.7 million shares of common stock for issuance under the 2015 Plan. As of December 31, 2020, an aggregate of 15.4 million shares were subject to outstanding equity awards under the 2015 Plan. As of December 31, 2020, 12.1 million shares were available for future issuance under the 2015 Plan.

The ESPP was adopted and approved by the Company's stockholders in May 2008. In May 2020, the Company's stockholders approved an additional 8.0 million shares of common stock for issuance under the ESPP. To date, the Company's stockholders have approved a share reserve of 43.0 million shares of the Company's common stock for issuance under the ESPP. The ESPP permits eligible employees to acquire shares of the Company's common stock at a 15% discount (as determined in the ESPP) through periodic payroll deductions of up to 10% of base compensation, subject to individual purchase limits of 6,000 shares in any twelve-month period or \$25,000 worth of stock, determined at the fair market value of the shares at the time the stock purchase option is granted, in one calendar year. The ESPP provides 24 month offering periods with four 6-month purchase periods. A new 24-month offering period will commence every six months thereafter. The purchase price for the Company's common stock under the ESPP is 85% of the lower of the fair market value of the shares at (1) the beginning of the applicable offering period or (2) the end of each 6-month purchase period during such offering period. The ESPP will continue in effect until February 25, 2028, unless terminated earlier under the provisions of the ESPP. As of December 31, 2020, approximately 31.5 million shares have been issued and 11.5 million shares remain available for future issuance under the ESPP.

In connection with the acquisitions of 128 Technology and Mist in 2020 and 2019, respectively, the Company assumed or substituted an aggregate of 7.3 million shares of stock options, RSUs, RSAs, and PSAs. No additional awards can be granted under the stock plans of the acquired companies. As of December 31, 2020, approximately 5.9 million shares of common stock were outstanding under all awards assumed or substituted through the Company's acquisitions.

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Notes to Consolidated Financial Statements (Continued)

RSU, RSA, and PSA Activities

RSUs generally vest over three years from the date of grant, and RSAs and PSAs generally vest over a period of two to three years provided that certain annual performance targets and other vesting criteria are met. Until vested, RSUs and PSAs do not have the voting and dividend participation rights of common stock and the shares underlying the awards are not considered issued and outstanding.

The following table summarizes the Company's RSU, RSA, and PSA activity and related information as of and for the year ended December 31, 2020 (in millions, except per share amounts and years):

	Outstanding RSUs, RSAs, and PSAs			
	Number of Shares	Weighted Average Grant-Date Fair Value per Share	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance at December 31, 2019	17.5	\$ 25.30		
Granted ⁽¹⁾⁽²⁾	8.4	22.13		
Awards assumed upon the acquisition of 128 Technology ⁽²⁾	3.1	20.15		
Vested ⁽³⁾	(6.7)	25.92		
Canceled	(2.4)	24.38		
Balance at December 31, 2020	19.9	\$ 23.05	1.3	\$ 447.7
As of December 31, 2020				
Vested and expected-to-vest RSUs, RSAs, and PSAs	18.6	\$ 23.04	1.3	\$ 419.1

⁽¹⁾ Includes 7.1 million service-based, 0.9 million performance-based, and 0.4 million market-based RSUs and PSAs, as applicable. The number of shares subject to performance-based and market-based conditions represents the aggregate maximum number of shares that may be issued pursuant to the award over its full term. The grant date fair value of RSUs and PSAs was reduced by the present value of dividends expected to be paid on the underlying shares of common stock during the requisite and derived service period as these awards are not entitled to receive dividends until vested.

⁽²⁾ The weighted-average grant-date fair value of RSUs, RSAs, and PSAs granted and assumed or substituted during 2020, 2019, and 2018 was \$21.59, 25.26, and 25.33, respectively. The grant date fair value of RSUs and PSAs was reduced by the present value of dividends expected to be paid on the underlying shares of common stock during the requisite and derived service period as these awards are not entitled to receive dividends until vested. During 2020, the Company declared a quarterly cash dividend of \$0.20 per share of common stock on January 27, 2020, April 28, 2020, July 28, 2020 and October 27, 2020.

⁽³⁾ Total fair value of RSUs, RSAs, and PSAs vested during 2020, 2019, and 2018 was \$174.7 million, \$170.0 million, and \$200.5 million, respectively.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Shares Available for Grant

The following table presents the stock activity and the total number of shares available for grant under the 2015 Plan (in millions):

	Number of Shares
Balance as of December 31, 2019	16.6
Additional shares authorized	—
RSUs and PSAs granted ^(*)	(8.4)
RSUs and PSAs canceled ^(*)	3.9
Balance as of December 31, 2020	12.1

^(*) In May 2019, the 2015 Plan was amended, and the amendment removed the fungible share adjustment used to determine shares available for issuance. Under the original terms of the 2015 Plan, RSUs and PSAs with a per share or unit purchase price lower than 100% of the fair market value of the Company's common stock on the day of the grant were counted against shares authorized under the plan as two and one-tenth shares of common stock ("the prior fungible rate") for each share subject to such award. Pursuant to the amendment, beginning on May 14, 2019, each share award granted under the 2015 Plan reduces the share reserve by one share and all share awards granted on May 14, 2019 and thereafter that are later forfeited, canceled or terminated are returned to the share reserve in the same manner. During 2020, among the total 3.9 million of canceled shares, 3.5 million shares represent the shares returned to the share reserve at the prior fungible rate. The number of shares subject to PSAs granted represents the maximum number of shares that may be issued pursuant to the award over its full term.

Employee Stock Purchase Plan

During 2020, 2019, and 2018, employees purchased 2.7 million, 2.4 million and 2.5 million shares of common stock through the ESPP at an average exercise price of \$19.59, \$22.04, and \$22.31 per share, respectively.

Valuation Assumptions

The weighted-average assumptions used and the resulting estimates of fair value for ESPP purchase rights and market-based RSUs were as follows:

	Years Ended December 31,		
	2020	2019	2018
ESPP Purchase Rights:			
Volatility	31%	27%	29%
Risk-free interest rate	0.8%	2.1%	1.9%
Expected life (years)	1.3	1.2	1.2
Dividend yield	3.3%	2.9%	2.7%
Weighted-average fair value per share	\$6.34	\$6.65	\$6.93
Market-based RSUs:			
Volatility	25%	25%	28%
Risk-free interest rate	1.3%	2.4%	2.4%
Dividend yield	3.3%	2.8%	2.6%
Weighted-average fair value per share	\$26.32	\$27.32	\$28.39

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Share-Based Compensation Expense

Share-based compensation expense associated with stock options, RSUs, RSAs, PSAs, and ESPP purchase rights was recorded in the following cost and expense categories in the Company's Consolidated Statements of Operations (in millions):

	Years Ended December 31,		
	2020	2019	2018
Cost of revenues - Product	\$ 5.4	\$ 5.7	\$ 6.3
Cost of revenues - Service	15.8	17.3	18.0
Research and development	78.8	94.0	120.6
Sales and marketing	58.2	56.0	51.1
General and administrative	31.4	29.2	21.1
Total	<u>\$ 189.6</u>	<u>\$ 202.2</u>	<u>\$ 217.1</u>

The following table summarizes share-based compensation expense by award type (in millions):

	Years Ended December 31,		
	2020	2019	2018
Stock options	\$ 7.3	\$ 7.7	\$ 0.4
RSUs, RSAs, and PSAs	162.6	176.5	198.2
ESPP Purchase Rights	19.7	18.0	18.5
Total	<u>\$ 189.6</u>	<u>\$ 202.2</u>	<u>\$ 217.1</u>

For the years ended December 31, 2020, 2019 and 2018, the Company recognized tax benefits on total stock-based compensation expense, which are reflected in the income tax provision in the Consolidated Statements of Operations, of \$23.5 million, \$29.6 million, and \$33.8 million, respectively.

For the years ended December 31, 2020, 2019, and 2018, the realized tax benefit related to awards vested or exercised during the period was \$21.7 million, \$30.6 million and \$38.9 million, respectively. These amounts do not include the indirect effects of stock-based awards, which primarily relate to the research and development tax credit.

As of December 31, 2020, the total unrecognized compensation cost related to unvested share-based awards was \$333.1 million to be recognized over a weighted-average period of 1.8 years.

401(k) Plan

The Company maintains a savings and retirement plan qualified under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "IRC"). Employees meeting the eligibility requirements, as defined under the IRC, may contribute up to the statutory limits each year. The Company currently matches 30% of all eligible employee contributions which vest immediately. The Company's matching contributions to the plan totaled \$22.0 million, \$20.2 million, and \$20.2 million during 2020, 2019, and 2018, respectively.

Deferred Compensation Plan

The Company's NQDC plan is an unfunded and unsecured deferred compensation arrangement. Under the NQDC plan, officers and other senior employees may elect to defer a portion of their compensation and contribute such amounts to one or more investment funds. As of December 31, 2020, the liability of the Company to the plan participants was \$29.3 million, of which \$3.1 million was included within other accrued liabilities and \$26.2 million was included in other long-term liabilities on the Consolidated Balance Sheets. The Company had investments of \$29.3 million correlating to the deferred compensation obligations, of which \$3.1 million was included within prepaid expenses and other current assets and \$26.2 million was included within other long-term assets on the Consolidated Balance Sheets. As of December 31, 2019, the liability of the Company was \$26.8 million, of which \$4.1 million was included within other accrued liabilities and \$22.7 million was included in other long-term liabilities on the Consolidated Balance Sheets. The Company had investments of \$26.8 million correlating to

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Notes to Consolidated Financial Statements (Continued)

the deferred compensation obligations, of which \$4.1 million was included within prepaid expenses and other current assets and \$22.7 million was included within other long-term assets on the Consolidated Balance Sheets.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 12. Segments

The Company operates in one reportable segment. The Company's chief executive officer, who is the chief operating decision maker, reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance, accompanied by disaggregated information about net revenues by product and service, customer vertical, and geographic region as presented below.

The following table presents net revenues by product and service (in millions):

	Years Ended December 31,		
	2020	2019	2018
Routing	\$ 1,612.1	\$ 1,623.2	\$ 1,839.7
Switching	918.9	901.0	934.4
Security	314.0	343.5	333.0
Total product	2,845.0	2,867.7	3,107.1
Total service	1,600.1	1,577.7	1,540.4
Total	\$ 4,445.1	\$ 4,445.4	\$ 4,647.5

The following table presents net revenues by customer vertical (in millions):

	Years Ended December 31,		
	2020	2019	2018
Cloud	\$ 1,081.2	\$ 1,059.8	\$ 1,049.9
Service Provider	1,761.7	1,827.8	2,066.7
Enterprise	1,602.2	1,557.8	1,530.9
Total	\$ 4,445.1	\$ 4,445.4	\$ 4,647.5

The Company attributes revenues to geographic region based on the customer's shipping address. The following table presents net revenues by geographic region (in millions):

	Years Ended December 31,		
	2020	2019	2018
Americas:			
United States	\$ 2,233.9	\$ 2,299.8	\$ 2,339.1
Other	211.2	218.2	202.1
Total Americas	2,445.1	2,518.0	2,541.2
Europe, Middle East, and Africa	1,233.8	1,215.3	1,290.8
Asia Pacific	766.2	712.1	815.5
Total	\$ 4,445.1	\$ 4,445.4	\$ 4,647.5

During the years ended December 31, 2020, 2019, and 2018, no customer accounted for greater than 10% of the Company's net revenues.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

The following table presents geographic information for property and equipment, net and purchased intangible assets, net (in millions):

	As of December 31,	
	2020	2019
United States	\$ 807.4	\$ 815.9
International	221.6	200.8
Property and equipment, net and purchased intangible assets, net	\$ 1,029.0	\$ 1,016.7

The Company tracks assets by physical location. The majority of the Company's assets, excluding cash and cash equivalents and investments, as of December 31, 2020 and December 31, 2019, were attributable to U.S. operations.

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Notes to Consolidated Financial Statements (Continued)

Note 13. Income Taxes

The components of pretax income are summarized as follows (in millions):

	Years Ended December 31,		
	2020	2019	2018
Domestic	\$ 204.2	\$ 296.2	\$ 160.6
Foreign	61.0	118.2	372.1
Total pretax income	\$ 265.2	\$ 414.4	\$ 532.7

The provision (benefit) for income taxes is summarized as follows (in millions):

	Years Ended December 31,		
	2020	2019	2018
Current provision (benefit):			
Federal	\$ 73.4	\$ 6.2	\$ (126.1)
States	20.3	14.4	9.0
Foreign	(21.6)	48.5	38.9
Total current provision (benefit)	72.1	69.1	(78.2)
Deferred (benefit) provision:			
Federal	(58.7)	0.8	36.6
States	(6.6)	2.8	2.2
Foreign	0.6	(3.3)	5.2
Total deferred (benefit) provision	(64.7)	0.3	44.0
Total provision (benefit) for income taxes	\$ 7.4	\$ 69.4	\$ (34.2)

The provision (benefit) for income taxes differs from the amount computed by applying the federal statutory tax rate of 21% to pretax income for each of the years presented as follows (in millions):

	Years Ended December 31,		
	2020	2019	2018
Expected provision at statutory rate	\$ 55.7	\$ 87.0	\$ 111.9
State taxes, net of federal benefit	8.7	9.4	7.4
Foreign income at different tax rates	(5.9)	1.8	(12.8)
R&D tax credits	(16.4)	(18.8)	(22.1)
Share-based compensation	9.0	3.8	4.7
Non-deductible compensation	3.5	3.3	1.9
Temporary differences not currently benefited	(0.9)	12.9	—
Recognition of previously unrecognized tax benefits	(63.7)	(25.4)	—
Cost sharing adjustment- Altera	20.1	—	—
Lapses in federal statutes of limitations	—	(7.5)	(67.6)
Tax accounting method changes	—	—	(65.4)
Impact of the U.S. Tax Cuts and Jobs Act	—	—	2.8
Other	(2.7)	2.9	5.0
Total provision (benefit) for income taxes	\$ 7.4	\$ 69.4	\$ (34.2)

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

In 2020, the Company recorded a \$63.7 million benefit, including interest and penalties, related to a multi-year recognition of previously unrecognized tax benefits and a \$20.1 million charge, including interest, for a cumulative impact of cost sharing for share-based compensation described below.

In 2019, the Company recorded a \$25.4 million benefit, including interest, related to the recognition of previously unrecognized tax benefits pursuant to the resolution of a tax audit and a \$7.5 million benefit, including interest, for a lapse in statute of limitations.

On June 7, 2019, the Ninth Circuit Court of Appeals issued an opinion in Altera Corp. v. Commissioner requiring related parties in an intercompany cost-sharing arrangement to share expenses related to share-based compensation. On February 10, 2020, Altera appealed this decision to the U.S. Supreme Court, which on June 22, 2020, declined to review the decision. Based on the Supreme Court's decision, the Company's share-based compensation is subject to cost sharing, and the Company recorded a \$20.1 million charge referenced above during the year ended December 31, 2020.

Deferred income taxes reflect the net tax effects of tax carry-forward items and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's long-term deferred tax assets and deferred tax liabilities are as follows (in millions):

	As of December 31,	
	2020	2019
Deferred tax assets:		
Net operating loss carry-forwards	\$ 48.2	\$ 27.7
Research and other credit carry-forwards	252.8	236.7
Deferred revenue	43.4	40.0
Share-based compensation	15.0	24.3
Capitalized R&D expenditure	60.5	—
Reserves and accruals not currently deductible	43.5	55.8
Operating lease liabilities	51.3	48.3
Other	10.6	12.0
Total deferred tax assets	525.3	444.8
Valuation allowance	(261.5)	(249.4)
Deferred tax assets, net of valuation allowance	263.8	195.4
Deferred tax liabilities:		
Property and equipment basis differences	(20.1)	(39.2)
Purchased intangible assets	(45.6)	(27.8)
Unremitted foreign earnings	(25.5)	(23.7)
Net unrealized gain	(21.1)	(8.7)
Operating lease assets	(44.9)	(41.1)
Total deferred tax liabilities	(157.2)	(140.5)
Net deferred tax assets	\$ 106.6	\$ 54.9

As of December 31, 2020 and 2019, the Company had a valuation allowance on its U.S. domestic deferred tax assets of \$261.5 million and \$249.4 million, respectively. The balance at December 31, 2020 consisted of \$225.2 million, \$28.6 million and \$3.4 million against the Company's California, Massachusetts and Canadian deferred tax assets, respectively, which the Company believes are not more likely than not to be utilized in future years. The remaining deferred tax assets for which the Company recorded a valuation allowance of \$1.6 million are related to capital losses that may carry forward to offset future capital gains only. The valuation allowance increased in 2020 and 2019 by \$12.1 million and \$15.7 million, respectively, primarily related to the changes in California and Massachusetts R&D tax credits.

As of December 31, 2020, the Company had federal and California net operating loss carry-forwards of approximately \$172.9 million and \$134.0 million, respectively. The California net operating loss carry-forwards of \$134.0 million are expected to expire unused. The Company also had federal and California tax credit carry-forwards of approximately \$6.3 million and

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Notes to Consolidated Financial Statements (Continued)

\$266.0 million, respectively. Unused net operating loss carry-forwards will expire at various dates beginning in the year 2021. The California tax credit carry-forwards will carry forward indefinitely.

The Company provides deferred tax liabilities for all tax consequences associated with the undistributed earnings that are expected to be repatriated to subsidiaries' parent unless the subsidiaries' earnings are considered indefinitely reinvested. The Company has made no provision for deferred taxes on approximately \$60.2 million of cumulative undistributed earnings of certain foreign subsidiaries through December 31, 2020. These earnings are considered indefinitely invested in operations of the subsidiaries, as the Company intends to utilize these amounts to fund future expansion of its operations. If these earnings were distributed to the parent, the Company would be subject to additional taxes of approximately \$12.0 million.

As of December 31, 2020, 2019, and 2018, the total amount of gross unrecognized tax benefits was \$116.0 million, \$151.3 million, and \$178.1 million, respectively. As of December 31, 2020, approximately \$92.8 million of the \$116.0 million gross unrecognized tax benefits, if recognized, would affect the effective tax rate.

A reconciliation of the beginning and ending amount of the Company's total gross unrecognized tax benefits was as follows (in millions):

	Years Ended December 31,		
	2020	2019	2018
Balance at beginning of year	\$ 151.3	\$ 178.1	\$ 264.5
Tax positions related to current year:			
Additions	5.3	5.9	4.3
Tax positions related to prior years:			
Additions	18.1	0.8	12.7
Reductions	(52.0)	(3.3)	(33.8)
Settlements	(1.8)	(22.5)	(2.6)
Lapses in statutes of limitations	(4.9)	(7.7)	(67.0)
Balance at end of year	<u>\$ 116.0</u>	<u>\$ 151.3</u>	<u>\$ 178.1</u>

As of December 31, 2020, 2019, and 2018, the Company had accrued interest and penalties related to unrecognized tax benefits of \$5.3 million, \$29.9 million, and \$33.8 million, respectively, as other long-term liabilities in the Consolidated Balance Sheets. Due to the changes in the level of gross unrecognized tax benefits, the Company recognized a benefit for net interest and penalties of \$20.7 million, \$2.8 million and \$5.2 million in its Consolidated Statements of Operations during the years ended December 31, 2020, 2019, and 2018, respectively. The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense.

In 2020, the Company received final orders from the US and India Competent Authorities, which resolved the Company's dispute with the India Tax Authorities for the 2010 through 2012 income tax years. The Company also remeasured certain previously unrecognized tax benefits for all open years resulting in a total release of \$58.8 million, including \$18.4 million of interest and penalties. In addition, the Company closed an administrative procedure with the Joint Committee on Taxation, resulting in the release of a previously unrecognized tax benefit of \$9.0 million.

The Company engages in continuous discussions and negotiations with tax authorities regarding tax matters in various jurisdictions. There is a greater than remote likelihood that the balance of the gross unrecognized tax benefits will decrease by up to \$10.6 million within the next twelve months due to the completion of tax review cycles in various tax jurisdictions and lapses of applicable statutes of limitation.

The Company conducts business globally and, as a result, Juniper Networks or one or more of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world, including such major jurisdictions as the Netherlands, U.K., France, Germany, Japan, China, Australia, India, and the U.S. With few exceptions, the Company is no longer subject to U.S. federal, state and local, and non-U.S. income tax examinations for years before 2009.

The Company is currently under examination by the India tax authorities for the 2009 through 2015 tax years. The examinations by the India tax authorities are ongoing. The Company regularly assesses the likelihood of an adverse outcome

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

resulting from such examinations. As of December 31, 2020, the Company believes the resolution of the audits is unlikely to have a material effect on its consolidated financial condition or results of operations.

The Company is pursuing all available administrative remedies relative to these ongoing matters. The Company believes that it has adequately provided for any reasonably foreseeable outcomes related to these proposed adjustments and the ultimate resolution of these matters is unlikely to have a material effect on its consolidated financial condition or results of operations; however, there is still a possibility that an adverse outcome of these matters could have a material effect on its consolidated financial condition and results of operations.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 14. Net Income per Share

The Company computed basic and diluted net income per share as follows (in millions, except per share amounts):

	Years Ended December 31,		
	2020	2019	2018
Numerator:			
Net income	\$ 257.8	\$ 345.0	\$ 566.9
Denominator:			
Weighted-average shares used to compute basic net income per share	330.4	343.2	349.0
Dilutive effect of employee stock awards	4.8	5.0	5.4
Weighted-average shares used to compute diluted net income per share	335.2	348.2	354.4
Net income per share:			
Basic	\$ 0.78	\$ 1.01	\$ 1.62
Diluted	\$ 0.77	\$ 0.99	\$ 1.60
Anti-dilutive shares	5.3	4.7	3.9

Basic net income per share is computed using net income available to common stockholders and the weighted-average number of common shares outstanding for the period. Diluted net income per share is computed using net income available to common stockholders and the weighted-average number of common shares outstanding plus potentially dilutive common shares outstanding during the period. Dilutive potential common shares consist of common shares issuable upon exercise of stock options and purchase rights, and vesting of RSUs, RSAs, and PSAs. The Company includes the common shares underlying PSAs in the calculation of diluted net income per share only when they become contingently issuable. Anti-dilutive shares are excluded from the computation of diluted net income per share.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 15. Commitments and Contingencies

Commitments

Unconditional Purchase Obligations

Unconditional purchase obligations consist of agreements that include firm and non-cancelable terms to transfer funds in the future for fixed or minimum amounts or quantities to be purchased at fixed or minimum prices. For obligations with cancellation provisions, the amounts included in the following table were limited to the non-cancelable portion of the agreement terms or the minimum cancellation fee.

The following table summarizes the Company's unconditional purchase obligations for each of the next five years and thereafter as of December 31, 2020 (in millions):

<u>Years Ending December 31,</u>	<u>Unconditional Purchase Obligations</u>
2021	\$ 62.3
2022	53.0
2023	30.8
2024	9.0
2025	1.6
Total	<u><u>\$ 156.7</u></u>

In December 2018, the Company entered into a Master Services Agreement and certain Statements of Work, (collectively, the "Agreement") with International Business Machines Corporation ("IBM"), pursuant to which the Company outsourced significant portions of its IT and other administrative functions to IBM in exchange for a combination of fixed and variable fees, fluctuating based on the Company's actual need for the services utilized. During the second quarter of 2020, the Company amended the Agreement, resulting in a \$79.4 million reduction in fees payable to IBM. As of December 31, 2020, the Company expects to pay IBM \$183.3 million over the remaining initial term of the Agreement. The table above does not include fees payable to IBM under the contract as the Company is unable to make a reasonably reliable estimate of the amount of the payments related to this contract due to uncertainties in the usage of the services.

In December 2019, the Company entered into a 15-year Energy Services Agreement ("ESA") with a Supplier to purchase energy and environmental attributes generated from a third-party fuel cell systems, which will be installed, operated, and maintained by the Supplier on the Company's premises. Service fees payable to Supplier fluctuate based on the actual amount of electricity delivered to the Company during a given operational year. As of December 31, 2020, the Company expects to pay Supplier approximately \$29.0 million over the remaining initial term of the ESA. The table above does not include fees payable to this Supplier due to uncertainties associated with system outputs.

Leases

The Company leases its facilities and certain equipment under non-cancelable operating leases that have remaining lease terms of 1 to 10 years and 1 to 4 years, respectively. Each leased facility is subject to an individual lease or sublease, which could provide various options to extend or terminate the lease agreement. Facilities are primarily comprised of corporate offices, data centers, and R&D facilities. Equipment includes vehicles and various office equipment. The Company also has variable lease payments that are primarily comprised of common area maintenance and utility charges. The Company's lease agreements do not contain any residual value guarantees or restrictive covenants.

The components of lease costs and other information related to leases were as follows (in millions, except years and percentages):

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

	December 31, 2020	December 31, 2019
Operating lease cost	\$ 50.8	\$ 50.3
Variable lease cost	13.4	12.6
Total lease cost	<u>\$ 64.2</u>	<u>\$ 62.9</u>
Operating cash outflows from operating leases	\$ 54.2	\$ 49.6
ROU assets obtained in exchange for new operating lease liabilities	\$ 54.7	\$ 14.0
Weighted average remaining lease term (years)	4.9	5.5
Weighted average discount rate	3.7 %	3.9 %

As of December 31, 2020, future operating lease payments for each of the next five years and thereafter is as follows (in millions):

<u>Years Ending December 31,</u>	<u>Amount</u>
2021	\$ 52.9
2022	48.8
2023	42.8
2024	38.0
2025	29.9
Thereafter	20.3
Total lease payments	<u>232.7</u>
Less: interest	(20.1)
Total(*)	<u>\$ 212.6</u>
<u>Balance Sheet Information</u>	
Other accrued liabilities	\$ 49.1
Long-term operating lease liabilities	163.5
Total	<u>\$ 212.6</u>

(*) The total does not include one operating lease with a total lease obligation of \$10.7 million that has not yet commenced as of December 31, 2020.

Purchase Commitments with Contract Manufacturers and Suppliers

In order to reduce manufacturing lead times and in the interest of having access to adequate component supply, the Company enters into agreements with contract manufacturers and certain suppliers to procure inventory based on the Company's requirements. A significant portion of the Company's purchase commitments arising from these agreements consists of firm and non-cancelable commitments. The following table summarizes the Company's purchase commitments for each of the next five years and thereafter as of December 31, 2020 (in millions):

<u>Years Ending December 31,</u>	<u>Purchase Commitments</u>
2021	\$ 825.8
2022	230.9
2023	226.3
Total	<u>\$ 1,283.0</u>

The Company establishes a liability in connection with purchase commitments related to quantities in excess of its demand forecasts or obsolete materials charges for components purchased by the contract manufacturers based on the Company's

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

demand forecast or customer orders. As of December 31, 2020, the Company had accrued \$15.2 million based on its estimate of such charges.

Debt and Interest Payment on Debt

As of December 31, 2020, the Company held total outstanding debt consisting of the Notes with a carrying value of \$2,127.3 million. See Note 9, *Debt and Financing*, for further discussion of the Company's long-term debt and expected future principal maturities.

Tax Liability

In the fourth quarter of 2018, the Company completed its analysis to determine the effect of the Tax Act and recorded immaterial adjustments as of December 31, 2018. The Company has elected to pay its transition tax, net of applicable tax refunds, over the eight-year period provided in the Tax Act. The long-term income taxes payable of \$250.6 million represents the remaining balance of the Company's transition tax obligation.

As of December 31, 2020, the Company had \$61.9 million included in long-term income taxes payable on the Consolidated Balance Sheets for unrecognized tax positions. At this time, the Company is unable to make a reasonably reliable estimate of the timing of payments related to this amount due to uncertainties in the timing of tax audit outcomes.

Guarantees

The Company enters into agreements with customers that contain indemnification provisions relating to potential situations where claims could be alleged that the Company's products solely, or in combination with other third-party products, infringe the intellectual property rights of a third-party. As of December 31, 2020 and 2019, the Company recorded \$6.7 million and \$9.0 million, respectively, for such indemnification obligations in other accrued liabilities and other long-term liabilities on the Consolidated Balance Sheets. The Company also has financial guarantees consisting of standby letters of credit for certain lease facilities, insurance programs and customs of \$29.0 million and \$30.6 million, as of December 31, 2020 and December 31, 2019, respectively.

Legal Proceedings

The Company is involved in investigations, disputes, litigation, and legal proceedings. The Company records an accrual for loss contingencies for legal proceedings when it believes that an unfavorable outcome is both (a) probable and (b) the amount or range of any possible loss is reasonably estimable. The Company intends to aggressively defend itself in these matters, and while there can be no assurances and the outcome of these matters is currently not determinable, the Company currently believes that none of these existing claims or proceedings are likely to have a material adverse effect on its financial position. Notwithstanding the foregoing, there are many uncertainties associated with any litigation and these matters or other third-party claims against the Company may cause the Company to incur costly litigation and/or substantial settlement charges. In addition, the resolution of any intellectual property litigation may require the Company to make royalty payments, which could adversely affect gross margins in future periods. If any of those events were to occur, the Company's business, financial condition, results of operations, and cash flows could be adversely affected. The actual liability in any such matters may be materially different from the Company's estimates, if any, which could result in the need to adjust the liability and record additional expenses.

Juniper Networks, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 16. Selected Quarterly Financial Data (Unaudited)

The table below sets forth selected unaudited financial data for each quarter of the years ended December 31, 2020 and December 31, 2019 (in millions, except per share amounts):

	Year Ended December 31, 2020				Year Ended December 31, 2019			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net revenues	\$ 998.0	\$ 1,086.3	\$ 1,138.2	\$ 1,222.6	\$ 1,001.7	\$ 1,102.5	\$ 1,133.1	\$ 1,208.1
Gross margin	579.3	619.6	657.8	717.0	582.3	636.8	678.4	719.3
Income before income taxes	28.3	86.1	111.6	39.2	44.5	77.8	118.1	174.0
Net income	\$ 20.4	\$ 61.2	\$ 145.4	\$ 30.8	\$ 31.1	\$ 46.2	\$ 99.3	\$ 168.4
Net income per share: (*)								
Basic	\$ 0.06	\$ 0.18	\$ 0.44	\$ 0.09	\$ 0.09	\$ 0.13	\$ 0.29	\$ 0.50
Diluted	\$ 0.06	\$ 0.18	\$ 0.43	\$ 0.09	\$ 0.09	\$ 0.13	\$ 0.29	\$ 0.49

(*) Net income per share is computed independently. Therefore, the sum of the quarterly net income per share may not equal the total computed for the year or any cumulative interim period.

Note 17. Subsequent Events

Apstra Acquisition

In January 2021, the Company acquired Apstra for approximately \$180 million, subject to customary adjustments, in cash and the assumption of equity awards. The acquisition is expected to expand upon the Company's data center networking portfolio to advance its vision to transform data center operations by combining Apstra's full lifecycle management solution for data center networking and fabric automation from initial design to everyday management operations.

Debt Repayment

On January 11, 2021, the Company redeemed, in full, \$265.8 million of the remainder of its outstanding 2024 notes and \$158.0 million of the remainder of its outstanding 2025-I notes, for a principal redemption amount in the aggregate of approximately \$482.1 million, plus accrued interest. The repayments resulted in a loss on extinguishment of debt of \$60.6 million, consisting primarily of a premium on the early redemption and acceleration of unamortized debt discount and fees on the redeemed debt.

Dividend Declaration

On January 28, 2021, the Company announced that the Board declared a quarterly cash dividend of \$0.20 per share of common stock to be paid on March 22, 2021 to stockholders of record as of the close of business on March 1, 2021.

Stock Repurchase Activities

Subsequent to December 31, 2020, through the date of filing of this Report (the "filing date"), the Company repurchased 2.5 million shares of its common stock in the open market, for an aggregate purchase price of \$61.7 million at an average price of \$24.94 per share, under the 2018 Stock Repurchase Program. Repurchases of approximately 2.0 million shares were settled prior to the filing of this Report and the remaining shares will be settled after the filing date. The Company has an aggregate of \$1.3 billion of authorized funds remaining under the Stock Repurchase Program as of the filing date.

ITEM 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

Not applicable.

Item 9A. *Controls and Procedures*

(a) *Management's Annual Report on Internal Control Over Financial Reporting*: See "Management's Annual Report on Internal Control over Financial Reporting" under Item 8 of Part II of this Report, which is incorporated herein by reference.

(b) For the "Report of Independent Registered Public Accounting Firm," see the report under Item 8 of Part II of this Report, which is incorporated herein by reference.

Evaluation of Disclosure Controls and Procedures

Attached, as exhibits to this report are certifications of our principal executive officer and principal financial officer, which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This "Controls and Procedures" section includes information concerning the controls and related evaluations referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered in this Report, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting during the fourth quarter of 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any significant impact to our internal controls over financial reporting despite the fact that most of our employees are working remotely due to the COVID-19 pandemic. The design of our processes and controls allow for remote execution with accessibility to secure data. We are continually monitoring and assessing the COVID-19 situation to minimize the impact, if any, on the design and operating effectiveness on our internal controls.

PART III

ITEM 10. *Directors, Executive Officers and Corporate Governance*

For information with respect to our executive officers, see Part I, Item 1 of this Annual Report on Form 10-K, under “Information about our Executive Officers.”

Information concerning our directors, including director nominations, and our audit committee and audit committee financial expert, is included in our definitive Proxy Statement to be filed with the SEC in connection with our 2021 Annual Meeting of Stockholders (the “Proxy Statement”) under “Corporate Governance Principles and Board Matters” and “Election of Directors” and is incorporated herein by reference.

With regard to the information required by this Item regarding compliance with Section 16(a) of the Exchange Act, we will provide disclosure of delinquent Section 16(a) reports, if any, in our Proxy Statement under “Delinquent Section 16(a) Reports” and such disclosure, if any, is incorporated herein by reference.

Information concerning our worldwide code of business conduct that applies to our principal executive officer and all other employees is included in the Proxy Statement under “Corporate Governance Principles and Board Matters” and is incorporated herein by reference.

ITEM 11. *Executive Compensation*

Information required by Item 402 of Regulation S-K is included in the Proxy Statement under “Director Compensation,” and “Executive Compensation,” and is incorporated herein by reference.

Information concerning compensation committee interlocks and insider participation appearing in the Proxy Statement under “Compensation Committee Interlocks and Insider Participation” is incorporated herein by reference.

Information concerning the compensation committee report appearing in the Proxy Statement under “Compensation Committee Report” is incorporated herein by reference.

ITEM 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

Information concerning the security ownership of certain beneficial owners and management is included in the Proxy Statement under “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” and is incorporated herein by reference.

Information concerning our equity compensation plan information is included in the Proxy Statement under “Equity Compensation Plan Information” and is incorporated herein by reference.

ITEM 13. *Certain Relationships and Related Transactions, and Director Independence*

Information concerning certain relationships and related transactions is included in the Proxy Statement under the heading “Certain Relationships and Related Transactions” and is incorporated herein by reference.

Information concerning director independence is included in the Proxy Statement under the heading “Board Independence” and is incorporated herein by reference.

ITEM 14. *Principal Accounting Fees and Services*

Information concerning principal accountant fees and services and the audit committee's pre-approval policies and procedures is included in the Proxy Statement under the heading “Principal Accountant Fees and Services” and is incorporated herein by reference.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this Report:

1. Consolidated Financial Statements

See Index to Consolidated Financial Statements at Item 8 herein.

2. Financial Statement Schedules

Juniper Networks, Inc.
Schedule II - Valuation and Qualifying Accounts
Years Ended December 31, 2020, 2019, and 2018
(In millions)

	Balance at Beginning of Year	Charged to (Reversed from) Costs and Expenses	Write-offs, Net of Recoveries	Balance at End of Year
Allowance for Doubtful Accounts				
2020	\$ 5.5	\$ 4.4	\$ —	\$ 9.9
2019	\$ 4.9	\$ 1.7	\$ (1.1)	\$ 5.5
2018	\$ 5.7	\$ (0.8)	\$ —	\$ 4.9
	Balance at Beginning of Year	Charged as a Reduction in Revenues	Used	Balance at End of Year
Sales Return Reserve				
2020	\$ 24.8	\$ 60.7	\$ (57.1)	\$ 28.4
2019	\$ 32.7	\$ 59.5	\$ (67.4)	\$ 24.8
2018 ^(*)	\$ 44.5	\$ 70.7	\$ (82.5)	\$ 32.7

^(*) Upon adoption of Topic 606, the Company recorded a reduction of \$10.7 million as part of the cumulative effect adjustment to the January 1, 2018 opening accumulated deficit balance on the Consolidated Balance Sheet.

All other schedules have been omitted as the required information is not applicable or the information is presented in the Consolidated Financial Statements or notes thereto under Item 8 herein.

3. Exhibits

Exhibit No.	Exhibit	Incorporated by Reference			
		Filing	Exhibit No.	File No.	File Date
3.1	Restated Certificate of Incorporation of Juniper Networks, Inc. and Certificate of Amendment	S-8	4.1	333-218344	5/30/2017
3.2	Amended and Restated Bylaws of Juniper Networks, Inc.	8-K	3.2	001-34501	5/30/2017
4.1	Description of Juniper Networks, Inc. Registered Securities	10-K	4.1	001-34501	2/20/2020
4.2	Indenture, dated March 3, 2011, by and between Juniper Networks, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	4.1	001-34501	3/4/2011
4.3	First Supplemental Indenture, dated March 3, 2011, by and between Juniper Networks, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	4.8	001-34501	3/4/2011
4.4	Sixth Supplemental Indenture, dated August 26, 2019, by and between Juniper Networks, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	4.1	001-34501	8/26/2019
4.5	Seventh Supplemental Indenture, dated December 10, 2020, by and between Juniper Networks, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	4.1	001-34501	12/10/2020
4.6	Form of Note for Juniper Networks, Inc.'s 5.950% Senior Notes due 2041	8-K	4.8	001-34501	3/4/2011
4.7	Form of Note for Juniper Networks, Inc.'s 1.200% Senior Notes due 2025	8-K	4.1	001-34501	12/10/2020
4.8	Form of Note for Juniper Networks, Inc.'s 2.000% Senior Notes due 2030	8-K	4.1	001-34501	12/10/2020
4.9	Form of Note for Juniper Networks, Inc.'s 3.750% Senior Notes due 2029	8-K	4.1	001-34501	8/26/2019
10.1	Juniper Networks, Inc. 2006 Equity Incentive Plan, as amended October 2, 2014+	10-Q	10.9	001-34501	11/10/2014
10.2	Juniper Networks, Inc. Performance Bonus Plan (As Amended and Restated Effective February 19, 2020)	10-Q	10.1	001-34501	5/5/2020
10.3	Juniper Networks, Inc. Deferred Compensation Plan+	S-8	4.4	333-151669	6/16/2008
10.4	Amended and Restated Juniper Networks, Inc. 2015 Equity Incentive Plan+	10-Q	10.4	001-34501	8/7/2019
10.5	Mist Systems, Inc. 2014 Equity Incentive Plan+	S-8	99.1	001-34501	4/2/2019
10.6	Amended and Restated Juniper Networks, Inc. 2008 Employee Stock Purchase Plan, as amended and restated as of May 14, 2020	10-Q	10.1	001-34501	8/4/2020
10.7	Form of Restricted Stock Unit Agreement effective as of May 19, 2015+	8-K	10.2	001-34501	5/20/2015
10.8	Form of Performance Share Agreement effective as of May 19, 2015+	8-K	10.3	001-34501	5/20/2015
10.9	Form of Indemnification Agreement entered into by Juniper Networks, Inc. with each of its directors, officers and certain employees, approved for use on August 9, 2018+	8-K	10.1	001-34501	8/10/2018
10.10	Form of Stock Option Agreement effective as of May 19, 2015+	8-K	10.4	001-34501	5/20/2015
10.11	Amended and Restated Juniper Networks, Inc. Form of Restricted Stock Unit Agreement effective as of December 1, 2019+	10-K	10.12	001-34501	2/20/2020
10.12	Amended and Restated Juniper Networks, Inc. Form of Performance Share Agreement effective as of December 1, 2019+	10-K	10.13	001-34501	2/20/2020
10.13	Form of Change of Control Agreement for Certain Officers, approved for use on November 2, 2020+	10-Q	10.1	001-34501	11/2/2020
10.14	Form of Severance Agreement for Certain Officers, approved for use on November 2, 2020+	10-Q	10.2	001-34501	11/2/2020
10.15	Settlement, Release and Cross-License Agreement, dated May 27, 2014, by and between Juniper Networks, Inc. and Palo Alto Networks, Inc.	8-K	10.1	001-34501	5/29/2014
10.16	Credit Agreement, dated as of April 25, 2019, by and among Juniper Networks, Inc., the lenders from time to time party thereto and Citibank, N.A., as administrative agent	10-Q	10.1	001-34501	5/9/2019

Exhibit No.	Exhibit	Incorporated by Reference			
		Filing	Exhibit No.	File No.	File Date
10.17	Master Services Agreement, dated December 31, 2018, between Juniper Networks, Inc. and International Business Machines Corporation, and Amendment No.1 dated as of January 4, 2019	10-K	10.29	001-34501	2/22/2019
10.18	Amendment No.2 to the Master Services Agreement, dated as of December 31, 2018, between Juniper Networks, Inc. and International Business Machines Corporation	10-Q	10.2	001-34501	8/4/2020
10.19	Amendment No.3 to the Master Services Agreement, dated as of December 31, 2018, between Juniper Networks, Inc. and International Business Machines Corporation*				
10.20	Form of Executive Compensation Recovery Agreement for Certain Officers, approved for use in November 2015+	10-K	10.60	001-34501	2/29/2016
21.1	Subsidiaries of the Company*				
23.1	Consent of Independent Registered Public Accounting Firm*				
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934*				
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934*				
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**				
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**				
101	The following materials from Juniper Networks Inc.'s Annual Report on Form 10-K for the year ended December 31, 2020, formatted in iXBRL (inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, and (v) Consolidated Statements of Changes in Stockholders' Equity, and (iv) Notes to Consolidated Financial Statements, tagged as blocks of text*				
104	The cover page from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, formatted in Inline XBRL (included in Exhibit 101)*				

* Filed herewith

** Furnished herewith

+ Indicates management contract or compensatory plan, contract or arrangement.

† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment that has been separately filed with the Securities and Exchange Commission.

(b) Exhibits

See Exhibits in Item 15(a)(3) above in this Report.

(c) None

ITEM 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Juniper Networks, Inc.

February 12, 2021 By: /s/ Kenneth B. Miller

Kenneth B. Miller

Executive Vice President, Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

February 12, 2021 By: /s/ Thomas A. Austin

Thomas A. Austin

Vice President, Corporate Controller and Chief Accounting Officer
(Duly Authorized Officer and Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Rami Rahim Rami Rahim	Chief Executive Officer and Director (Principal Executive Officer)	February 12, 2021
/s/ Kenneth B. Miller Kenneth B. Miller	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 12, 2021
/s/ Thomas A. Austin Thomas A. Austin	Vice President, Corporate Controller and Chief Accounting Officer (Principal Accounting Officer)	February 12, 2021
/s/ Scott Kriens Scott Kriens	Chairman of the Board	February 12, 2021
/s/ Gary Daichendt Gary Daichendt	Director	February 12, 2021
/s/ Anne T. DelSanto Anne T. DelSanto	Director	February 12, 2021
/s/ Kevin DeNuccio Kevin DeNuccio	Director	February 12, 2021
/s/ James Dolce James Dolce	Director	February 12, 2021
/s/ Christine M. Gorjanc Christine M. Gorjanc	Director	February 12, 2021
/s/ Janet B. Haugen Janet B. Haugen	Director	February 12, 2021
/s/ Rahul Merchant Rahul Merchant	Director	February 12, 2021
/s/ William R. Stensrud William R. Stensrud	Director	February 12, 2021

Juniper Networks, Inc. — Investor Information

Transfer Agent and Registrar

Stockholders of record with questions concerning their stock holdings or dividends, or with address changes should contact:

Mail

EQ Shareowner Services
PO Box 64874
St Paul, MN 55164-0874
Phone: 1-800-468-9716

Overnight Mail

EQ Shareowner Services
1110 Centre Pointe Curve,
Suite 101,
Mendota Heights
MN 55120-4100

Stock Exchange

Juniper Networks common stock is listed for trading on the New York Stock Exchange under the ticker symbol **JNPR**.

Financial Information and Reports

The Company routinely issues press releases and quarterly and annual financial reports, which can be found on our website. A copy of the Juniper Networks 2020 Annual Report on Form 10-K filed with the Securities and Exchange Commission will be furnished to stockholders without charge upon request to the Company at Juniper Networks, Inc., Attn: Investor Relations, 1133 Innovation Way, Sunnyvale, CA 94089 or at investor-relations@juniper.net. We will also furnish any exhibit to the Annual Report on Form 10-K for fiscal 2020 if specifically requested in writing. A copy of our Annual Report on Form 10-K for fiscal 2020 is also available with our proxy materials at www.proxyvote.com. In addition, you can access a copy on the website of the SEC at www.sec.gov.

Website Addresses

Corporate Home Page:

www.juniper.net

Investor Relations:

investor.juniper.net

Independent Registered Public Accounting Firm

Ernst & Young LLP

303 Almaden Blvd.
San Jose, CA 95110

Our Leadership Team

Rami Rahim — Chief Executive Officer and Director

Anand Athreya — Executive Vice President, Chief Development Officer

Thomas Austin — Vice President, Corporate Controller, and Chief Accounting Officer

Manoj Leelanivas — Executive Vice President, Chief Product Officer

Brian Martin — Senior Vice President, General Counsel, and Secretary

Kenneth Miller — Executive Vice President, Chief Financial Officer

Our Board of Directors

Gary Daichendt — Private Investor, Managing Member of Theory R Properties LLC

Anne DelSanto — Limited Partner, Operator Collective

Kevin DeNuccio — Former Executive Chairman, SevOne, Inc.

James Dolce — Chief Executive Officer and Director, Lookout, Inc.

Christine Gorjanc — Former Chief Financial Officer, Arlo Technologies, Inc.

Janet Haugen — Former Senior Vice President and Chief Financial Officer, Unisys Corporation

Scott Kriens — Chairman of the Board, Juniper Networks, Inc.

Rahul Merchant — Senior Executive Vice President and Head of Client Services & Technology, TIAA-CREF

Rami Rahim — Chief Executive Officer and Director, Juniper Networks, Inc.



Power connections. Empower change.

Juniper Networks
1133 Innovation Way
Sunnyvale, CA 94089
www.juniper.net
NYSE: JNPR